DOCUMENT RESUME

ED 095 447 CG 009 071

TITLE Student Financial Assistance (Theory and Practice of Need Analysis). Hearings Before the Special Subcommittee on Education of the Committee on Education and Labor, House of Representatives, Ninety-Third Congress. Part I.

INSTITUTION Congress of the U.S., Washington, D.C. House Committee on Education and Labor.

PUB DATE Nov 73

NOTE 363p.

EDRS PRICE MF-$0.75 HC-$17.40 PLUS POSTAGE

DESCRIPTORS College Students; *Federal Government; Federal Legislation; *Financial Needs; *Government Publications; *Higher Education; Theories

ABSTRACT

This publication contains the hearings of the Special Subcommittee on Education of the House of Representatives, October 15 and November 15, 1973. The topic of discussion before the committee was student financial assistance and, more particularly, the theory and practice of need analysis. Discussion in October centered on the systems of need analysis computation used by the College Entrance Examination Board and the American College Testing Service. The November meeting detailed the development and use of the Bureau of Labor Statistics' low- and moderate- income standards, and financial level figures developed by the Social Security Administration. Extensive appendixes follow the minutes of the meetings and offer detailed statistics and information on the various need analysis procedures. (Author/PC)

BEST COPY AVAILABLE

STUDENT FINANCIAL ASSISTANCE

(Theory and Practice of Need Analysis)

HEARINGS

BEFORE THE

SPECIAL SUBCOMMITTEE ON EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

FIRST SESSION

PART 1

THEORY AND PRACTICE OF NEED ANALYSIS

**HEARINGS HELD IN WASHINGTON, D.C.,
OCTOBER 15 AND NOVEMBER 15, 1973**

Printed for the use of the Committee on Education and Labor

CARL D. PERKINS, *Chairman*

SCOPE OF INTEREST NOTICE

The ERIC Facility has assigned this document for processing to:

In our judgement, this document is also of interest to the clearinghouses noted to the right. Indexing should reflect their special points of view.

U S DEPARTMENT OF HEALTH EDUCATION & WELFARE NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

BEST COPY AVAILABLE

ED 009 071

COMMITTEE ON EDUCATION AND LABOR

CARL D. PERKINS, Kentucky, *Chairman*

FRANK THOMPSON, Jr., New Jersey
JOHN H. DENT, Pennsylvania
DOMINICK V. DANIELS, New Jersey
JOHN BRADEMAS, Indiana
JAMES G. O'HARA, Michigan
AUGUSTUS F. HAWKINS, California
WILLIAM D. FORD, Michigan
PATSY T. MINK, Hawaii
LLOYD MEEDS, Washington
PHILLIP BURTON, California
JOSEPH M. GAYDOS, Pennsylvania
WILLIAM "BILL" CLAY, Missouri
SHIRLEY CHISHOLM, New York
MARIO BIAGGI, New York
ELLA T. GRASSO, Connecticut
ROMANO L. MAZZOLI, Kentucky
HERMAN BADILLO, New York
IKE ANDREWS, North Carolina
WILLIAM LEHMAN, Florida
JAIME BENITEZ, Puerto Rico

ALBERT H. QUIE, Minnesota
JOHN M. ASHBROOK, Ohio
ALPHONZO BELL, California
JOHN N. ERLENBORN, Illinois
JOHN DELLENBACK, Oregon
MARVIN L. ESCH, Michigan
EDWIN D. ESHLEMAN, Pennsylvania
WILLIAM A. STEIGER, Wisconsin
EARL F. LANDGREBE, Indiana
ORVAL HANSEN, Idaho
EDWIN B. FORSYTHE, New Jersey
JACK F. KEMP, New York
PETER A. PEYSER, New York
DAVID TOWELL, Nevada
RONALD A. SARASIN, Connecticut
ROBERT J. HUBER, Michigan

SPECIAL SUBCOMMITTEE ON EDUCATION

JAMES G. O'HARA, Michigan, *Chairman*

MARIO BIAGGI, New York
PHILLIP BURTON, California
JOHN BRADEMAS, Indiana
JOSEPH M. GAYDOS, Pennsylvania
IKE ANDREWS, North Carolina
WILLIAM LEHMAN, Florida
JAIME BENITEZ, Puerto Rico

JOHN DELLENBACK, Oregon
JOHN N. ERLENBORN, Illinois
MARVIN L. ESCH, Michigan
JACK F. KEMP, New York
ROBERT J. HUBER, Michigan

CONTENTS

	Page
Hearings held in Washington, D.C.:	
October 15, 1973	1
November 15, 1963	55
Statement of—	
Jacobs, Eva E., chief, Division of Living Conditions Studies, Office of Prices, Bureau of Labor Statistics	56
Orshansky, Mollie, senior social service analyst, Division of Supplemental Securities Studies, Office of Research and Statistics, Social Security Administration	60
Young, Kenneth E., vice president and director, Washington, D.C., office; S. Shannon Janes, assistant vice president for planning; William Goggin, economist; Joe B. Henry, director, financial aid services, American College Testing Program; Lois D. Rice, vice president; James L. Bowman, area director for financial aid studies; James E. Nelson, vice president for financing higher education; Arthur M. Hauptman, research assistant, College Entrance Examination Program; Richard L. Tombaugh, executive secretary; Allan W. Purdy, director, financial aid, University of Missouri at Columbia; Norman E. Beck, director, financial aid, Ball State University; National Association of Student Financial Aid Administrators; Peter K. U. Voigt, acting director, Basic Educational Opportunity Grant Program, U.S. Office of Education; a panel	6
Supplemental material—	
Analysis of six cases	3
Appendix A.—Excerpts from title IV of the Higher Education Act of 1965, as amended	77
Appendix B.—Handbooks, application instructions and related materials for the College Scholarship Service, The American College Testing Service, and the Basic Educational Opportunity Grant Program:	
B-1.—Basic Educational Opportunity Grant Program	81
B-2.—College Scholarship Service	91
B-3.—American College Testing Service	1-82
Appendix C.—Forms completed in the process of making calculations related to six hypothetical cases using the College Scholarship Service System and the American College Testing Program System for 1973-74 and 1974-75, and the Basic Educational Opportunity Grant Program for 1973-74	329
Orshansky, Mollie, senior social service analyst, Division of Supplemental Security Studies, Office of Research and Statistics, Social Security Administration, paper entitled, "Counting the Poor"	60

STUDENT FINANCIAL ASSISTANCE

(Theory and Practice of Need Analysis)

MONDAY, OCTOBER 15, 1979

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 10:15 a.m., pursuant to call, in room 2261, Rayburn House Office Building, Hon. James G. O'Hara, chairman of the subcommittee, presiding.

Present: Representatives O'Hara, Dellenback, and Erlenborn.

Also present: Representative Quie.

Subcommittee staff present: Jim Harrison, staff director; Elnora Teets, clerk; A. C. Franklin, counsel.

Full committee staff present: William F. Gaul, associate general counsel; William H. Cable, associate counsel; Christopher T. Cross, minority legislative associate.

Mr. O'HARA. The subcommittee will come to order.

The hearings we begin today are not focused on any single student assistance device. Instead, we are beginning a look at the theory and practice of need analysis—a procedure that runs through all the modes of Federal student assistance, and most other kinds of student assistance, as well. Specifically, we hope to shed some light on how need analysis functions, and what it is supposed to measure.

Need analysis is now an integral part of all of the Federal student aid programs. Institutions utilize one or another of several analysis systems as part of the process of determining eligibility for supplemental grants, for work study, for direct loans and for guaranteed loans.

The Federal Government has developed its own need analysis system operated for it by the American College Testing Service to determine the expected family contribution under the basic opportunity grant system.

Need analysis is currently under something of a cloud. Parents look upon need analysis as the device which is keeping their kids out of college or at least keeping the parents in the red. Student aid officers and bankers have blamed need analysis for the breakdown in guaranteed loan programs. It is possible that need analysis is getting a bum rap; it is possible it is guilty as charged. Before we can determine that we ought to know more about what need analysis is and what it claims to be able to measure.

For the purpose of this hearing we have hypothesized a middle income family. The family, a husband and two kids, have an annual in-

come of $13,000. The head of the household is 50 years of age. Utilizing the standard deduction on their form 1040 they paid last year $1,400 in Federal income tax—quite a bit more than paid by the President—$350 in State income tax and $468 in social security taxes.

The hypothetical student who is applying for assistance has no assets of his own; he is entering college for the first time. Only one of the parents works outside the home so there is no housekeeping allowance involved. Those figures are uniform for all of the following six cases.

In case No. 1, the family has net assets of $5,000 and one child in college;

In case No. 2, the net worth is $15,000 and one child in college;

In case No. 3, the net worth is $5,000 and both children are in college;

In case No. 4, the net worth is $50,000, most of it in a small business or a farm, and one child is in college;

In case No. 5, the net worth is $5,000, they have a grandparent living with them and one child is in college;

In case No. 6, the net worth is $15,000 and both kids are in college.

We have asked the largest and best known practitioners of need analysis, the American College Testing Service and the College Scholarship Service, to perform need analyses for these families, using their own systems for the current year and next year, using the current BOG system and using the income tax system—all of these systems approved by the Office of Education.

The results of the analysis will, without objection, be included in the record at the conclusion of my opening statement.

Obviously there are different estimates of expected family contribution under the several systems and in the several cases. Our purpose today is not to marvel over the obvious nor to try to determine which is the "best" system. Our purpose is to look at these different results, look at the techniques used in arriving at these different results and ask ourselves and the experts what the need analysis is supposed to do and what is it actually doing. Is an expected family contribution a purely economical measure of the family's ability to pay for the child's education? Ability to pay out of what?

Is it a standard of what a family ought to be willing to contribute? Is it an indicator based on the experience of what a family in such a situation will probably contribute?

These are some of the questions we have asked the need analysis practitioners and other experts from the Office of Education and the student assistance community to look at and to discuss in the context of what happens to this middle income family.

Those we have asked to comment are Dr. Kenneth Young of the American College Testing Program; Mrs. Lois Rice of the College Entrance Examination Board; Mr. Peter Voigt of the Office of Education; and Mr. Richard Tombaugh of the National Association of Student Financial Aid Administrators.

We have also asked them to bring with them others with whom they are associated who they believe will make a contribution to our discussion today.

So what I am going to do is ask them for their comments in the order in which I named them and ask them at the same time to introduce their associates. Then after each has made some observations we are going to throw the whole affair open to discussion and questioning among members of the committee, our panel of experts and the committee staff.

[The results of the analyses follow:]

Analysis of Six Cases

The cases described below have been developed in order to illustrate the situation of the middle income, wage earning family. These cases show the similarities and differences in results of the various family contribution schedules presently approved for federal aid programs.

The standard conditions which apply for all six cases are the following:

1. Family Income—$13,000.
2. Age of Head of Household—50 years old.
3. Family size—4–2 parents and 2 children.[1]
4. Federal Income Tax Paid—$1,400.[1]
5. State Income Tax Paid—$350.
6. Social Security Tax Paid—$468.
7. No Student Assets.
8. Applicant is assumed to be entering freshman year.
9. Families used standard deductions in computing Income Tax.
10. No Housekeeping Allowance—1 parent working.

Specific data for each case are:

1. Family Net Worth—$5,000; 1 child in college.
2. Family Net Worth—$15,000; 1 child in college.
3. Family Net Worth—$5,000; 2 children in college.
4. Family Net Worth—$50,000; small businessman, large part of $50,000 in income producing assets: 1 child in college.
5. Family Net Worth—$5,000; 1 child in college; maternal grandmother lives with family.
6. Family Net Worth—$15,000; 2 children in college.

The chart following summarizes the results obtained from the CSS system for academic years 1973–74 and 1974–75, the ACT system for academic years 1973–74 and 1974–75, the BEOG system for academic year 1973–74, and the revised Income Tax system. Several pages of narrative which briefly describe the reasons for differences are also included. The final few pages graphically describe the workings for the various schedules.

CALCULATIONS

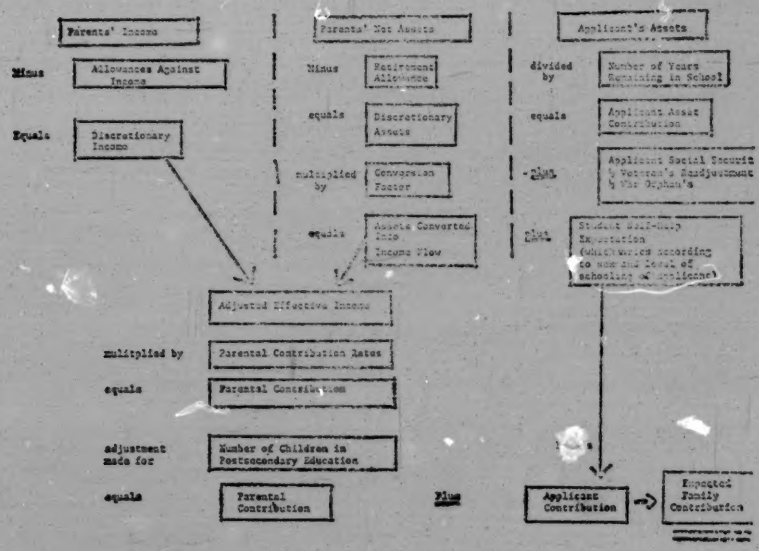
	Parental Contribution[1]				Family contribution	
	CSS, 1973–74	ACT, 1973–74	CSS, 1974–75	ACT, 1974–75	BEOG 1973–74	Income tax
Case 1	1,497	1,490	1,295	1,430	1,690	1,400
Case 2	1,880	1,690	1,560	1,620	2,065	1,775
Case 3	1,298	950	1,223	920	1,183	1,400
Case 4	3,660	2,980	2,940	2,930	3,815	3,525
Case 5	1,339	1,080	1,180	970	1,511	1,247
Case 6	1,490	1,070	1,350	1,020	1,446	1,775

[1] The ACT and CSS parental contributions do not compare directly with the BEOG and income tax total family contribution. In the ACT and CSS systems, financial aid administrators may elect to include self-help expectations as part of the analysis. These expectations average $350 for freshman students in the ACT systems; for CSS applicants the expectation averages $400.

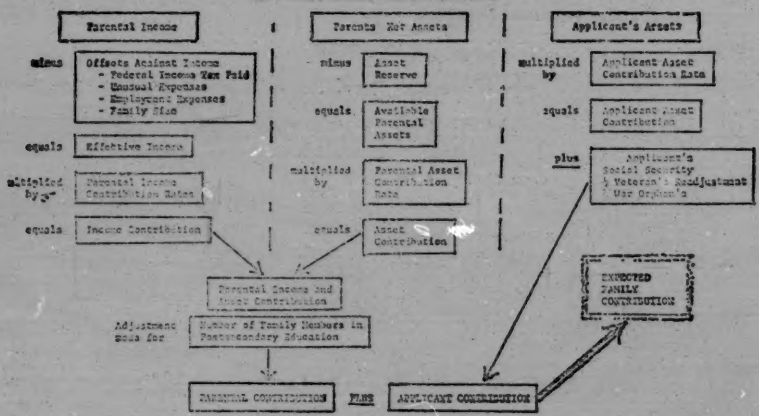
[1] The calculations for case #5 assume the maternal grandmother is claimed as a Federal income tax exemption by the family.

BEST COPY AVAILABLE

ACT - CSS Calculations For Dependent Students



EFC Calculations for Dependent Students



BEST COPY AVAILABLE

Income Tax System

Parent's Net Worth
Minus — Asset Protection
Equals — Available Assets
Multiplied By — Asset Contribution Rate
Equals
Income Tax Paid — Plus — Asset Contribution → Expected Family Contribution

ACT - CSS Calculations For Dependent Students

Parents' Income	Parents' Net Assets	Applicant's Assets
Minus: Allowances Against Income	Minus: Retirement Allowance	divided by: Number of Years Remaining in School
Equals: Discretionary Income	equals: Discretionary Assets	equals: Applicant Asset Contribution
	multiplied by: Conversion Factor	plus: Applicant Social Security ½ Veteran's Readjustment ½ War Orphan's
	equals: Assets Converted Into Income Flow	plus: Student Self-help Expectation (which varies according to sex and level of schooling of applicant)

Adjusted Effective Income
multiplied by — Parental Contribution Rates
equals — Parental Contribution
adjustment made for — Number of Children in Postsecondary Education
equals — Parental Contribution — Plus — Applicant Contribution → Expected Family Contribution

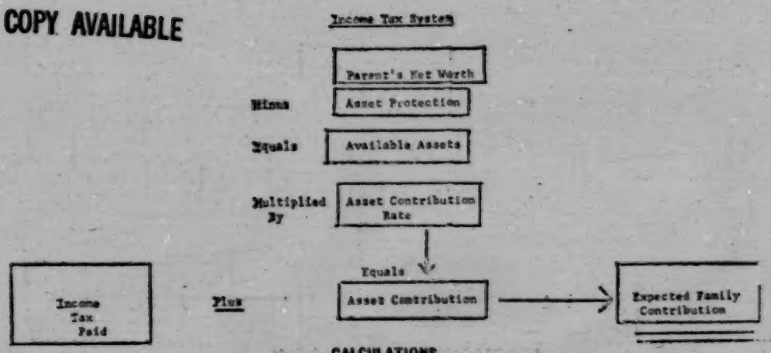
Equals

EFDC Calculations for Dependent Students

Parental Income	Parents' Net Assets	Applicant's Assets
minus: Offsets Against Income: Federal Income Tax Paid, Unusual Expenses, Employment Expenses, Family Size	minus: Asset Reserve	multiplied by: Applicant Asset Contribution Rate
equals: Effective Income	equals: Available Parental Assets	equals: Applicant Asset Contribution
multiplied by: Parental Income Contribution Rates	multiplied by: Parental Asset Contribution Rate	plus: Applicant's Social Security ½ Veteran's Readjustment ½ War Orphan's
equals: Income Contribution	equals: Asset Contribution	

Parental Income and Asset Contribution
Adjustment made for — Number of Family Members in Postsecondary Education
PARENTAL CONTRIBUTION — PLUS — APPLICANT CONTRIBUTION → EXPECTED FAMILY CONTRIBUTION

BEST COPY AVAILABLE



CALCULATIONS

	Parental Contribution[1]			Family contribution		
	CSS, 1973-74	ACT, 1973-74	CSS, 1974-75	ACT, 1974-75	BEOG 1973-74	Income tax
Case 1	1,497	1,490	1,295	1,430	1,690	1,400
Case 2	1,880	1,690	1,560	1,620	2,065	1,775
Case 3	1,298	950	1,223	920	1,183	1,400
Case 4	3,660	2,980	2,940	2,930	3,815	3,525
Case 5	1,339	1,080	1,180	970	1,511	1,247
Case 6	1,490	1,070	1,350	1,020	1,446	1,775

[1] The ACT and CSS parental contributions do not compare directly with the BEOG and income tax total family contribution. In the ACT and CSS systems, financial aid administrators may elect to include self-help expectations as part of the analysis. These expectations average $350 for freshman students in the ACT systems; for CSS applicants the expectation averages $400.

Mr. O'HARA. First we would like to ask Mr. Kenneth Young of the American College Testing Program if he can give us some of his thoughts on this exercise in which we are engaged.

PANEL DISCUSSION: KENNETH E. YOUNG, VICE PRESIDENT AND DIRECTOR OF WASHINGTON, D.C., OFFICE, S. SHANNON JANES, ASSISTANT VICE PRESIDENT FOR PLANNING, WILLIAM GOGGIN, ECONOMIST, JOE B. HENRY, DIRECTOR OF FINANCIAL AID SERVICES, AMERICAN COLLEGE TESTING PROGRAM; LOIS D. RICE, VICE PRESIDENT, JAMES L. BOWMAN, AREA DIRECTOR FOR FINANCIAL AID STUDIES, JAMES E. NELSON, VICE PRESIDENT FOR FINANCING HIGHER EDUCATION, ARTHUR M. HAUPTMAN, RESEARCH ASSISTANT, COLLEGE ENTRANCE EXAMINATION PROGRAM; RICHARD L. TOMBAUGH, EXECUTIVE SECRETARY, ALLAN W. PURDY, DIRECTOR, FINANCIAL AID, UNIVERSITY OF MISSOURI AT COLUMBIA, NORMAN E. BECK, DIRECTOR, FINANCIAL AID, BALL STATE UNIVERSITY, NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS; PETER K. U. VOIGT, ACTING DIRECTOR, BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM, U.S. OFFICE OF EDUCATION

Mr. YOUNG. Thank you, Mr. O'Hara. We appreciate the opportunity to be here before your committee and I do want to extend our appreciation also to the committee and its staff for your thoroughness and help in getting ready for this presentation.

The last time I attempted to explain need analysis, after I had gone through the complicated process the person to whom I was talking said, "If I understand what you are saying, you ask an individual to tell you what his need is and then you run it through a computer and then you come back with a report which tells him what his need is."

After that effort I decided that it might be a good idea to bring today to this meeting the people who could explain it much better than I.

I have with me here today Mr. Shannon Janes, Mr. William Goggin, and Mr. Joe Henry, all from the American College Testing Program staff at our national offices in Iowa City, Iowa.

I would defer, I guess, to Joe Henry to make any further comments that might be helpful before we respond to any questions you have.

Mr. HENRY. We don't really have a presentation. I guess the only observation that we might make is that ACT initiated a standardized need analysis several years ago because we were already providing services to students and to postsecondary institutions and there was an increasing demand for a standardized need analysis service from some of the colleges and other institutions that we were serving.

Now that service was initiated about 6 or 7 years ago in response to that demand. It was initiated in an arena that has changed, I think, considerably since that time so that I think now is a logical time for all of us to kind of stand back, take a look at need analysis—the need analysis role in terms of current student aid programs. We are pleased to be invited to this kind of discussion and we are quite anxious to help in any way we can to respond to any question you might have.

Mr. O'HARA. Before I go to the next of our panel, let me just suggest that perhaps the questions we ought to address ourselves to in this opening presentation are just exactly what you are trying to measure with your need analysis, with the one that you have developed, and what you think you are measuring. In other words, is it your opinion that someone with a family income and asset such as described ought to be able to spare that much out of the family budget after paying all normal and necessary living expenses? Is that the premise on which you go? Or have you arrived at your result really by looking at what has been the practice in American families and saying, "Well, generally speaking a family of a certain income level has in the past been contributing thus and so amount and therefore that is what we will expect him to do in the future?" Or have you in a sense decided on what result you wanted to achieve and then set the need analysis so it will produce that many students who are demonstrating that particular amount of need?

In other words, do you have a hypothetical goal that you want your need analysis to produce 10 or 20 percent or whatever of the matriculating students in a given year and you have to just sort of fudge the figure in order to make it come out that way?

What do you conceive you are measuring?

Mr. HENRY. I will respond to that generally and then ask one of these two fellows if they care to add to that.

I think generally the problem is that there is not a preconceived goal that we are trying to arrive at. I think what we are trying to do is seek a reasonable solution to a problem that exists and that is in some manner arriving at a reasonable estimate of what a family can afford to

contribute to their son's or daughter's postsecondary education, a reasonable estimate.

Bill?

Mr. GOGGIN. Well, I agree with what Joe has said. I would add that even the most esoteric of theoretical constructs or models are strewn with value judgments and the results of a need analysis system tend to be better, the better are your theoretical constructs and the better that you trace the results of the value judgment that you have made. But because there are so many value judgments, so many assumptions, it is important to look at the appropriateness, the empirical palatability of the result that your system is producing.

So it is not all one way or the other. You try to be theoretically honest, you try to ask the right questions and answer them. But if the result seems to make families make suboptimal decisions about how much education to invest in or it puts them under undue financial duress, it sems to me that that might be saying that maybe your theoretical construct is inappropriate.

Shannon?

Mr. JANES. I don't have much to add except I thought when we started this process some years back we were after ability to pay by some consistent measure and I think perhaps we should constantly reevaluate how successful we are at that effort.

Mr. O'HARA. And in fact you do make changes?

Mr. JANES. Yes indeed.

Mr. O'HARA. Lois Rice, would you introduce your colleagues and give us some of your thoughts on this need analysis system and what it accomplished and what it ought to accomplish, how you get there?

Mrs. RICE. Thank you, Mr. Chairman.

First I wish to say how pleased I and my colleagues from the College Board and the Educational Testing Service are to be here today.

I should like to introduce them. On my right is James Bowman who is the director of the financial aids studies and programs at the Educational Testing Service. As you know ETS services the programs of the College Scholarship Service and the College Board.

On my left is James Nelson vice president of the College Entrance Examination Board for financing higher education. The College Scholarship Services activities come under his wing. To the left of Mr. Nelson is Art Hauptman, research assistant at the Brookings Institute who was very helpful in preparing some of the cases we shall consider today.

Mr. Chairman, I'm going to defer most of your incisive questions to my colleagues but first I should like to just make a few comments that might help to set the stage. Mr. Nelson and Mr. Bowman will discuss the history, background, and rationale of needs analysis that will help to answer your questions. What is needs analysis and what is it intended to do?

I should like to suggest that needs analysis is many things and over time it has had an evolving set of intentions and goals.

Now we are faced with a myriad of Federal programs, each with different goals and often different target populations posing a challenge to the needs analysis services. Can the systems developed to meet one set of purposes now meet the range of purposes of Federal programs. For example, most needs analysis systems were not designed

to meet the needs of the guaranteed student loan program which is a very different type of program from grant program such as SEOG or BEOG grants.

I might just make one comment on the cases which you mentioned earlier. Clearly there are differences in how each system handles these cases. But the differences probably would have been less had the cases used a family with more than two children. The differences also might have been less had they used a lower income family. The experts here can explain why. The chairman perhaps wanted a middle-income that was more typical of his own congressional district.

Mr. O'HARA. You are very perceptive. [Laughter.]

Mrs. RICE. This $13,000 middle-income family has income higher than the median income of families who have children in college. This family might, for example, not have a child who would qualify for a BEOG and as the hearings focus on the BEOG schedule of family contributions we may wish to consider a different family.

I will now turn to Jim Nelson who will address some of your questions and provide background and history to needs analysis.

Mr. O'HARA. Mr. Nelson.

Mr. NELSON. Mr. Chairman, with your permission it would be helpful to touch on the history of needs analysis. Needs analysis and its approaches have endured and changed over time to meet differing needs and circumstances.

Going back to colonial times, the earliest financial aid in the country went to the obvious poor who had some ability. There were very few exceptions to aiding the worthy but poor.

Beginning in the early 1800's however, student aid went to the ablest students, those colleges needed, and wanted, so essentially student aid became a reward for achievement. Campuses used student aid often for competitive recruiting, but this tradition was challenged first by the GI bill, and then by the growing accessibility of education after World War II.

By the early 1950's competitive bidding for students was getting out of hand, and many institutions realized that their limited student aid funds could better be used to help able students with need, so the principle of student aid to the ablest of the needy began to evolve.

A number of institutions began to develop their own systems of needs analysis, or to determine what families might be expected to contribute to educational costs. For example, Homer Babbidge, of Yale, John Munro, of Harvard, and others devised systems. The basis for those systems were surveys of what families were actually contributing at that time. Remember, these were mostly private institutions trying to harbor their own resources.

At that time we didn't have any Federal programs, and very few State student aid programs, so these individuals were trying to put their limited institutional resources to good use, and they built their first set of expectations on what a typical family at their institution was contributing or seemed willing to. They set a standard and expected all families seeking aid to live up to that standard.

In the midfifties a group of these institutions turned to the college board, a membership organization in which most of them participated and asked the board to help devise a standard method of parents' contribution and need determination that they could all use. This was the

birth of CSS. The first CSS system was built on the experience and willingness of families to pay all or a portion of the costs at a given set of institutions.

Now at the time this was a pretty radical departure from the established tradition of scholarships or grants going to the brightest students or to the best athletes. With the aid of institutions CSS developed a common form for gathering data, and a rationale for analyzing need, containing many of the same elements that we have today in the need analysis systems.

Subsequently we devised a central data collection instrument so that a student would only have to file one form and copies were made for all institutions where the student wanted to apply for aid.

Then there was an agreement on principles and policies among these institutions for the distribution of student aid funds. Aid would be based on need; it would not exceed need essentially eliminating the competition through aid funds for students.

The use of the system was there and still is voluntary. An institution's final decision on the amount and kind of aid a student would receive was based on the judgment of the aid officer. There, as now, the College Scholarship Service, and other agencies as well, have no policing powers. We provide estimates of family contributions and student need to aid the aid officer to exercise his own judgment.

Soon several State scholarship programs embraced this form of need analysis, still looking at the ablest of the needy students and trying to measure their need for assistance.

The national defense student loan program passed in 1958 was the first of the Federal student aid programs that referred to need. At the time, however, the Office of Education had no regulations or offered none to define need. The only national standard at that time was the CSS system and several hundred colleges participating in CSS used the CSS procedure for NDSL, but most of the institutions participating in the NDSL felt free to use any standard that they chose to determine who was eligible for loans and the size of the individuals loan.

Throughout its history the need analysis procedures offered by CSS have been wholly public in that the participants in CSS elected their own council and committees and selected people from the Office of Education, college presidents, high school counselors, and members of the public to review annually CSS policies and procedures.

Any suggested changes go from committees to regional meetings, essentially public forums. The system has been shaped by public participation of both school and college representatives as well as the public.

Since the beginning the goal has been to work toward a true and unambiguous definition of financial need that everybody will understand and accept. We have yet to achieve that goal, but we keep working toward it.

The system has undergone many major changes. I think the largest change though was prompted in about 1964 by the public institutions which recognized that the standard for Harvard and Yale did not apply to their institutions or the population of students. We were urged to look for an economic rationale that would make sense as real measure of "ability" to pay rather than willingness to pay for collegiate expenses. We turned therefore to several economists, but

most notably to Dr. Bowman, who was at Johns Hopkins at the time. He helped build one of the first economic rationales for this system of ability to pay. That has been our objective ever since, to work toward a measure of ability to pay.

Mr. BOWMAN. I might call on you here to explain the basis for this change, a major change in terms of the whole history of needs analysis.

Mr. O'HARA. Dr. Bowman.

Mr. BOWMAN. Thank you, Mr. Chairman.

I join my colleagues in saying how much we appreciate and how good this is to have a public forum for what many people have thought as a magic bag of tricks and a computer in the sky.

I do agree with Mr. Nelson that CSS has tried to operate in an open forum, not only through its committees but also utilizing the best economic talent and data that we have, and essentially since 1964, and most particularly as we move into more and more funds coming from the public sector, trying to measure what families ought to be able to contribute toward post-secondary education, primarily based on economic data and spending patterns of American households, what they should be able to contribute, and recognizing, of course, that there is a difference between need analysis or need for economic subsidy in order to enhance accessibility to post-secondary education and the need for overcoming what might be determined timing problems, cash flows, and so forth.

I think that part of the problem as we have seen it in CSS is need analysis trying to be the answer to all things. What might be very appropriate for the measurement of financial need or need analysis for grant funds perhaps does not hold and, as an economist would say, would not hold for the use of loan funds. Loan funds are primarily means of enhancing timing problems of liquidity of assets viz-a-viz what I would term a need for economic subsidy, and I think this is the direction that we have tried to move. I think this forum might make this activity more beneficial.

Jim.

Mr. NELSON. Mr. Chairman, I could pick up a little on history since 1965, but you may wish to turn to others here.

Mr. O'HARA. Why don't I do that, and then come back to you if I could.

Mr. Voigt, we would like to hear from you the rationale behind the BOG schedule. One thing you might toss into your analysis that would be one of the first things, that as a parent from looking at these calculations that CSS and ACT are both showing a smaller expected family contribution for the school year 1974–75 than they did under the same circumstances for the school year 1973–74. The BOG schedule sent over does not show any of that change. Get to that somewhere in your presentation, but please proceed, if you would.

Mr. VOIGT. Thank you, Mr. Chairman.

I am also extremely pleased to be here for this very important session.

As has been noted, there are major differences between the basic grant and other need analysis systems but there are differences between the other systems as well.

I would like to note that the basic grant system has some requirements that maybe the other systems do not have. One, the basic grant

program is a national entitlement program, and the system is designed to measure the eligibility of the student for a basic grant as well as to measure the amount of the basic grant the student might get. Because of the entitlement nature of the program it was felt that we were required to have national consistency within the system, and that is not have a system where individual adjustments outside of the system can be taken into account to accommodate the individual circumstances of students.

Second, we tried to design a system that was as simple as possible with the eventual hope of having a system which would allow the student to get a very good idea of his own expected family contribution, and as a result some idea of the amount of the basic grant that he would get for the coming year.

These two really are the major approaches that we have taken in the basic grant system, and I think that to a large extent account for the differences and results that are shown on your chart. For example, the basic grant system does not take into account the student's summer earnings in arriving at the final figure of an expected family contribution. Under the CSS and ACT systems, that is taken into account, but can be waived at the discretion of the student financial aid officer. We did not feel we could include this type of waiver provision in the basic grant system simply because of the national consistency requirement. I think for freshmen the expected summer earnings normally calculated into a family contribution is around $350.

Second, the requirement for simplicity has forced us to have a system which does not, as a result of its simplicity, take into account quite as many individual differences in the calculation of the family contribution.

I think these factors really do explain the major differences between the basic grant system and other systems. We have, in development of the basic grant system, drawn heavily on the experience of the other needs analysis systems already in existence, since we are a new program, and we have tried to arrive at a system that roughly comes out with the same end result as the other systems. There is, however, a different set of requirements for basic grants which does not permit this kind of an individual assessment to take into account individual student circumstances.

Mr. O'HARA. I notice that you have not proposed an adjusting figure. Obviously the others have put in some sort of an adjusting figure.

Mr. VOIGT. Yes.

Mr. O'HARA. Which probably reflects cost of living or something.

Mr. VOIGT. Yes. We have not yet arrived at the adjusting figures. As you know, we will be having hearings on that and we will be discussing that with you at that point, the changes that we might want to make, so that is, for the basic grant system, no final conclusion what the 1974–75 system would look like. We are expecting that we will be making some changes in that system though.

Mr. O'HARA. Mr. Tombaugh, you are acquainted with the problem of sitting down across the desk from students and their parents and trying to explain to them why they are not entitled to the assistance they think they need, and so you have had a little different kind of experience with the needs analysis systems currently in use than have

our other panelists. We would like to get your views and those of your associates on the needs analysis question.

Mr. TOMBAUGH. Thank you, Mr. Chairman. I would like to introduce those people who are accompanying me here. Allan Purdy, on my right, for the University of Missouri system, and Dr. Norman Beck, who is director of student financial aid at Ball State University, Muncie, Ind.

We are very pleased as the others are to have this opportunity to discuss this matter, particularly in the forum that is being utilized here. We think it has good prospects of leading to a better understanding and perhaps resolve many of the problems we have been faced with over a number of years.

You are very correct in that our perspective of the whole process is somewhat different, and we are facing the very pragmatic problem of trying to explain to parents and students the results of these different outcomes. I have just jotted down a few comments that I would make, and then let my colleagues add anything they might wish to add.

First of all we have to operate under the assumption, I think, that these need analysis systems are deriving results that are congruent with the family's ability to pay for post-secondary education. To base them on their willingness would really provide a differential result that I think would be very difficult to justify, in that families with different priorities on their resources would qualify themselves for considerable additional subsidies simply by indicating unwillingness to support in relation to their capacity to do so, and we would find those families who are willing to make a lot of sacrifice in order to provide post-secondary education being discriminated against at the expense of those people who want to get off as easily as they can, so we feel that it is necessary to base it upon ability to contribute as opposed to willingness.

At the same time the financial aid officer must, and the existing systems, with the exception of the BOG methodology, have likewise insisted that their results are only estimates and that they fully expect the financial aid officer, who can sit down across the table from the parents or students or both, to be able to implement his own professional judgment as to whether or not the results that are generated by the system are truly applicable in that particular case.

It is impossible to provide a centralized, consistent methodology that would be equally applicable to every family financial circumstance throughout the country. There can only be a guideline for analysis to achieve some sort of consistency, and yet there has to be room for the judgmental factors in order to reconcile the uniqueness of any particular situation, and both CSS and ACT have acknowledged this from the very beginning. I think that they are simply providing us with some raw data upon which to base a professional judgment, and that has to be the case when we are trying to get students through college.

I think we have been insistent as a profession that some distinction be made between "need analysis," if I can put that in quotas—the analysis of the family's ability to pay—and criteria for eligibility. We have had various criteria for eligibility for programs throughout the history of the financial aid profession. One of them, to cite an example, was the $15,000 ceiling for eligibility for interest subsidy in the guaranteed loan.

Many of us have seen the BOG system as criteria for eligibility rather than what we felt to be a realistic estimate of the family's ability to pay. Perhaps that was not the intent of the systems design, but that is what it seems to us to be.

So we think that perhaps need analysis is not appropriate to analyze eligibility to participate in some of these programs if it is going to be a measure of ability to pay. There is also some very legitimate questions, I think, that might be raised into any attempt to have need be defined differently for different programs. If you are trying to say that a family is able to contribute *x* number of dollars, then it might be argued that those dollars should be the same whether you are talking about a scholarship or a loan, or a job, or whatever form of assistance might be called for, and I guess I try to wind that back into this eligibility for participation rationale that might be differential depending upon the type of aid that it is.

I think that part of the reason that we are hearing a lot more complaints about need analysis, or the results of need analysis, today as opposed to 5 years ago, for example—and as a practicing aid officer I feel that is a safe conclusion to draw—may well be, at least in part, due to the much more rapid change in the cost of living that has made it more difficult for the need analysis systems to maintain contribution curves that are consistent with the costs families are experiencing in the normal maintenance of their families. It seems to me that the time lag that is necessitated by the need analysis systems to reflect these changing economic conditions of the population may well have at least in part contributed to what seems to be an unrealistic expectation when the analysis is made some months hence.

I think the primary rationale for really having need analysis in the first place is to attempt to equalize access to institutions so that institutional choice, choice of the college or institution that the student is to attend, can be made for academic rather than financial reasons. That was the initial intent I think when the College Scholarship Service first started, so that each college would be expecting a given family to contribute or sacrifice the same amount. So the only differential between the financial aid offers of various institutions would be variations in cost at that institution and the family would be expected to provide the same amount no matter where the student happened to be enrolled.

I think that is still a goal that we as financial aid officers would want to strive for in order to make that college choice a function of something other than financial considerations.

I think I would stop there and ask Mr. Purdy and Mr. Beck if they have additional comments they would like to add.

Mr. O'HARA. Mr. Beck.

Mr. BECK. Thank you, Mr. Chairman.

I join the rest in saying we appreciate the open forum discussion type meeting where we are given a chance to express our thoughts. As far as I am concerned, many of my thoughts have already been very adequately presented by others who have been in this business as long as I have.

Obviously, determining the family's ability to pay, as has been pointed out by Mr. Bowman and Mr. Nelson, is a judgment factor, and it is not related to firmly accepted mathematical formula, which

means that the computer does not satisfy everyone with its results. I think that the word "palatability" is well used here because when the results that come out of our computer in general are palatable for families of different income levels we have a program that will be accepted, and when too large a percentage of our families find that result not palatable then maybe our judgments have gotten a little away from the trend of the times.

Mr. PURDY. As Dick has pointed out, the difficulty of keeping up with the increased costs of living which we have experienced particularly in this last year has caused some of our problems. We, you know, get into a lot of alphabets here. The PCS and FCAR's, and I think we have run up against the FFF, which is the Family Frustration Factor nowadays. So this is an honest attempt at getting back to where we find ourselves and where we can put our resources. The largest part of funds now dedicated specifically to meeting student financial need comes from the taxpayer's dollar and, therefore, we do indeed need to have procedures that give a fairly uniform treatment.

Now this does not mean that we are going to make everybody happy, but a term which I have used many times, I think we have to remain in a defendable position so that we can explain the figures that we are using, and even though everyone won't agree with them. I think it has to be a figure that most of the people can understand.

We may have worked ourselves into a situation where the multiplicity of programs and the handling of them has caused, too large a percentage of people to have difficulty understanding what we are doing.

Mr. O'HARA. Thank you, Mr. Purdy.

Mr. Hauptman.

Mr. HAUPTMAN. Mr. Chairman, just one observation if I may. The ability to pay at the institutional level, the acid test really comes in how close the ability to pay approximates a willingness of the families to pay or, if you may, their perceived ability to pay. This is dependent, I think, to a large extent upon a rather illusive demand curve for education, which is subject to forces that are peripheral for those considerations that are normally taken into consideration for need analysis or at least leave them chronologically so that we get a time lag in the problem of theoretically constructing an ability to pay and trying to get it close to what families see as their willingness to pay. This is a very difficult thing to do.

Mr. O'HARA. It certainly is.

I think that Dr. Bowman sort of put his finger on it in a sense when he said that perhaps the needs analysis that is set up to determine how much a family ought to be able to pay is not the best way of determining problems that have to do with liquidity and the timing of payment such as your loan payment, which is a somewhat different kind of a beast.

Let me just ask Dr. Bowman if he would like to amplify on that distinction a little bit?

Mr. BOWMAN. Well, to this extent, Mr. Chairman. I think I know the CSS, and I am reasonably aware of the American college testing programs development of ability to pay, what a family ought to contribute, but we look primarily at the allocation of economic subsidy or institutional funds, grant funds, funds from the public sector, and have measured in this regard.

I think that recently my thoughts have been turning. I wrote in this field, I guess it has been almost a year ago, that what we are really saying is families ought to be able to contribute or looking at it in terms of need for economic subsidy, a need for funds, and that there is a difference between real need and what I view as this timing problem. I think that part of our systems are moving in this direction. I am sure ACT will agree, of not using the same criteria for all sorts of assistance. I do believe that we need an objective form of measurement, and this is really what a system does, is to try and look at a family from a variety of situations is a similar mold and then say there is a real need for economic subsidy to this extent, there is a need for assistance to eliminate a timing problem to this extent and so forth.

I don't know if this clarifies it.

Mr. O'HARA. I would like to inquire of all of you—I guess really of CSS and ACT—are you thinking about and are you moving toward a needs analysis system that distinguishes between a need for loans on the one hand and a need for a subsidy on the other?

Mr. HENRY. I think I would refer that question to Dr. Goggin, who is Jim's counterpart in our organization.

Mr. GOGGIN. Well, we have been studying various aspects of the liquidity problem and considering generally the question of can the system that we operate be used for one program as well as it can be used for another, but I think we are going to need some much more hard thinking in that area. Some of the proposals, for instance, that would overcome the so-called liquidity problem have significant disadvantages to them and that does not mean that liquidity should not be an issue, but I think it is going to require careful study and we are certainly about that at ACT.

Mr. DELLENBACK. Mr. Chairman—if I may interrupt—I was jotting down some of the things on which the panel seems to be in agreement, and I have a couple of questions on possible points of difference, if I heard correctly, between the testimonies of several of the panel members.

Let me start with your line of questioning, Mr. Chairman, because on this point made by Dr. Bowman. I am not sure that I read Mr. Tombaugh correctly in disagreeing with it. I understood Dr. Bowman as suggesting that a proper measure of need for grants might be very different than the measure of need for loans. Mr. Tombaugh seems to be questioning whether there should be different measures of need for different programs. I would like to find out from the panelists whether they think there should, or should not, be different measures of need for different programs?

First, I ask Mr. Tombaugh what his thinking is.

Mr. TOMBAUGH. I will attempt to clarify my statement. In the process of deriving a need each of the systems tries to estimate the ability of the family to contribute, and it comes out with a dollar figure, albeit an estimate, it still comes out as a dollar figure of ability to contribute. It is rather difficult to explain to a family why for purposes of scholarship consideration they are "capable," in quotes, of providing let's say $1,500 toward their student's education, and on the other hand why for a different type of assistance they are capable of only providing $1,000 worth of contribution. That is a very illusive explanation to try and get across to them.

Now that may not be the same, in fact it is not the same in my opinion, as saying that the family has justification for borrowing when it does not have justification for getting at a totally subsidized grant, but the family's ability to pay, it seems to me, should be the same no matter what form of aid you are considering for. However, it might provide a differential for aid eligibility and allow them to provide that pavement through an unsubsidized loan to solve a liquidity problem that another family might not have because they have their assets invested in a different form.

Mr. DELLENBACK. May I pursue this just a little bit for clarification and comment from the other members of the panel. I understood Dr. Bowman as saying in effect that when we are talking, for example, about a grant program with the Federal Government, this program is going to provide a certain number of dollars to someone who has no other way of getting the necessary funding. Now, we must look at whether they really do have any assets, for example, whether there is a liquidity problem, or whether indeed there is a timing problem, and they tie together in this needs analysis issue.

Let's assume that one family had no assets, or very minimal assets. Here you then face a shortrun need and longrun need under this set of circumstances. On the other hand, let's assume that a second family is land poor in the sense that they have extensive frozen assets of one sort or another—$100,000 of assets that are invested in a business, and they cannot liquidate the business without destroying the capacity to earn a regular income. I understood Dr. Bowman as saying in effect that in the second situation, there is not the same kind of need that exists in the first situation. Thus, given these circumstances, you should have a different result relative to a loan than you would have relative to a grant.

Now, are we playing with words? Are we disagreeing semantically, or are you disagreeing on the fundamentals? Should there be two different determinations? Should the family with $100,000 worth of nonliquid assets be restricted from receiving a grant, but because of the nonliquidity of the assets, be entitled to a loan? I read Dr. Bowman as saying "yes" in this situation. Are you also saying "yes" given this hypothetical situation?

Mr. TOMBAUGH. Yes.

Mr. DELLENBACK. Then we may have been having a difficulty in communication when you stated there should be a difference in need, if that is what you said, and I am not sure that is what you said.

Mr. TOMBAUGH. No, I said there was a uniform determination of the family's ability to pay, and I think there is a distinction there. It may be simply a choice of words, but I think there is a distinction between the family's ability to pay and the need. They have to have access to a variety of programs that help them provide that resource.

Mr. DELLENBACK. Would you then take assets into account if we were talking, for example, about the availability of a guaranteed student loan program?

I read you now as saying that if there are substantial assets, even though they be nonliquid assets, they should affect whether or not the student finally gets a loan, on the one hand, or a grant, on the other hand. Am I correct in that?

Mr. TOMBAUGH. Yes.

Mr. DELLENBACK. Then I am not sure I understand how you make the point of distinction. Can you rephrase for me what you feel should be the point of distinction between access to these different programs?

Mr. TOMBAUGH. I will try again. I am sorry to be so slow. What I am trying to get at is an equality of the family's ability to provide cold, hard cash for a stated purpose, in this case, post-secondary educational costs, without providing an advantage to those families who have invested their assets or have made commitments on their income differentially, and the individual family's ability to contribute may be over the long run the same, but their ability to gain immediate access to cold, hard cash may be different. Yet to say to one family that if you are going to receive grant aid you must contribute x number of dollars or you can contribute x number of dollars, but if you are going to wish to borrow, then you are only able to contribute y dollars is a very difficult concept to explain to the family, and obviously it is a very difficult concept to explain to this group as well.

Mr. DELLENBACK. Yes; but you are now saying two different things on this matter of explanation and determination of need. Quite frankly, I can understand the great difficulty that the financial aid officer has saying to a family, "Look, we have two or three—or however many it may be—different measures of need, for these programs. We measure one program this way, and for a second program another way, and for a third program still another way." It is terribly difficult because they don't like to fill out multiple forms.

I understand that, and it is a very real problem. Yet, at the same time you are saying to us that when we deal with the law that sets up a program, we might very soundly say different things depending on the program as to whether there should be access in a given fact situation to that program. Is that correct?

Mr. TOMBAUGH. Yes.

Mr. DELLENBACK. Mr. Bowman.

Mr. BOWMAN. I don't know if I will clarify or confuse Mr. Dellenback, but what I was trying to point out, and perhaps Dick was saying, is that there should be differential criteria in packaging from the financial aid point of view, that the need analysis system comes up with the best estimates of the parent ability to pay. To recognize and try to meet that need you are going to try. There is a real economic need or need for economic subsidy for that student.

The second point is perhaps realizing that is not all available in cold cash on the 15th of December, and the 2d of February when classes start, that there is a timing problem, there is need for a long-term funding, a loan fund, not a real need for economic subsidy.

This is what I was trying to emphasize, that you don't need differential systems, the need can be measured as ACT and CCS and BOG does it, but it is how you look at that resulting figure in terms of packaging, the necessity of other resources of both institutional and private sectors.

I do think too, Mr. Dellenback, that when I refer to the long-term loan that there is subsidy in that to the extent that the interest subsidy is there. So I was not totally saying that assets for example, should not be considered. I think that we need to look at the total economic strength of the family in terms of its ability to pay, but then realizing

that there are timing problems that must be ameliorated as well as need for economic assistance. I hope I clarified it.

Mr. DELLENBACK. Is there anyone else on the panel who can contribute further to this?

Mr. Purdy.

Mr. PURDY. I am not sure it will be a contribution, but it will be a comment.

The discussion here is fairly plain as to the situation we are in. It is confusing to have different need analysis results for different programs. It is possible to have a need analysis give a uniform result, but then the privilege of judgmentally treating that result differently with different programs because of the different objectives of the different programs.

For example, under the previous insured loan program it was very clearly stated that under the current need analysis system there was an expected contribution, but that it was completely legal and expected that an insured loan might be used to provide part of that expected parental contribution. It was not a change of a system itself, it was understanding of the privilege of treating the result of that for a loan as against that for a grant. I don't know if that is a logical and again dependable way of looking at it.

Something that has very definitely been introduced into this meeting is that there is a considerable difference in the way that we could agree on how the parents' expected contribution from assets be used for the loan program as against a grant program. I think this is maybe a very valid reasoning and a very good questioning, and I think it is inherent in your attempt to clarify what we would really help here, and I think it is a real part of the problem.

In the asset treatment, I know I feel, and I think Dick almost touched on this where he said we really don't want to be caught in a system which say gives glaring advantage to that family which has not been frugal and put a greater penalty on the family who has invested in a home and assets. We don't feel comfortable in penalizing them for their frugality and their conservativeness.

Mr. DELLENBACK. I am with you on that.

Mr. O'HARA. That is a very interesting observation. If you try to identify that part of the contribution that is expected to come from current income and that part that is expected to come from assets, perhaps treating them differently with different kinds of programs you have a packaged program—treating it differently depending on where it is coming from.

Mr. DELLENBACK. Mr. Beck.

Mr. BECK. Just to restate what Allan has said, the case often comes up when a family comes into the office and says, "I cannot possibly meet the parental contribution as calculated." We sit down with the family and find that it may be a liquidity problem. They may be so encumbered by debt that there is no ability from the income flow to pay it. I would have little hesitancy in granting them a loan, but under no circumstances would I enlarge the amount of a supplemental educational opportunity grant that would go to such a family, so it is at this point that I think the judgmental effort of the financial aid officer kind of comes into the picture. And here we are dealing, however, with a single need analysis, the treatment of the parental contribution and the ability of the parent to meet that.

Mr. DELLENBACK. May I ask one more series of questions, and then share the questioning privilege as I don't mean to dominate this.

Basically, what you all were saying is that at least in some programs, maybe in many programs—but not necessarily in all programs—a needs test and thus a needs analysis is desirable. Is that correct? Is anyone saying that we really should not be moving toward needs analysis as thresholds to programs? Am I correct in this?

Mr. BOWMAN. Yes.

Mr. DELLENBACK. We are all solid with this approach, and I am sidestepping the question of $15,000 above or below the GSL.

Mrs. RICE. We are probably all in agreement with that statement. There is, however, one segment of the guaranteed loan program that does not have a needs test the nonsubsidized section of the loan program where the loans are simply guaranteed. And because there is no subsidy, it has been determined that there is no demand for a needs test. The family may go through a needs test and decide they can't get subsidy and still get the loan.

Demand should continue the program not subsidy. And access to loans should be a measure of the program's success or failure.

As long as the Federal Government is allocating at least $250 million to $300 million in subsidy, for the program there is probably not that much of a distinction between Federal policy boards loans and grants in terms of aggregate Federal expenditures.

Mr. O'HARA. Of course, I think maybe the greatest gap in the existing programs is being exacerbated by the shift in guaranteed loans, or, more precisely the failure of the programs to produce any significant amount of unsubsidized loans. Banks make them to their best customers, and that is it, and they do it as a courtesy. If the kid happens to be the son of the treasurer of a corporation that makes large deposits in the bank, he will get an unsubsidized loan, or indeed if he is the son of the county treasurer and he deposits tax funds in the bank, then he will get an unsubsidized loan, but nobody else gets them.

Mr. DELLENBACK. This last interaction was very educational. I see the differences between Oregon politics and Michigan politics.

May I proceed beyond this question since the panel seems to be in agreement on this needs measure. Mrs. Rice's addition was very helpful, thank you.

There was a second point that was in my mind as I was trying to thread together the testimony the panel presented. Although they put it in different words, apparently the issue keeps coming back to ability to pay, with the exception of the fact that I am not sure that I read Mr. Beck as agreeing with this idea when there seemed to be a tie to a willingness to pay.

Am I reading this correctly? I recognize the unique situation that financial aid administrators face during direct confrontation, and I just want to be sure as to what it is that was said. Do you think the measure of access to a program should be ability to pay, however we may measure that? Or, assuming the ability to pay is worked out either on a nationwide standard or on some other kind of a standard, if the test indicates there is an ability to pay should there be a modification of that on the basis of the family's willingness to pay?

Mr. PURDY. I think what I was trying to say was if our ability to pay is significantly greater than the parents' willingness to pay measured in aggregate form, than we have some problems.

Mr. DELLENBACK. Should there be flexibility to meet that willingness or just an answer that we are awfully sorry under those circumstances.

Mr. PURDY. I would hope that we would have the ace in the hole, a loan program of this type that would permit us to give an option to such a student. I'm not sure it would be subsidized. If a particular family cannot, because of the past expenditures or for some other reason is unable to meet what we indicate should be the ability of that family, we should have some option available to them, that does not necessarily, I think, have to be subsidized.

Mr. DELLENBACK. You are not pleading, then, for flexibility for anyone to be able to modify the test in the unique situation if the only distinction is willingness or unwillingness. You are not saying, "Well, because you are willing to pay we will make you a grant or somehow crank Government dollars, taxpayers' dollars, into the satisfying of your needs."

Again we are talking about what Mrs. Rice referred to earlier when we say that under special circumstancess there may be a kind of an aid that would be available to them that would not involve taxpayers' dollars.

Thank you, Mr. Chairman. Later I would like to come back to some other things that I mentioned previously.

Mr. O'HARA. Mr. Nelson, did you wish to comment?

Mr. NELSON. Mr. Chairman, if I might just add one thing. It is true that the expectations from families in the needs analysis systems are affected by the way families perceive those very expectations. What will the traffic bear. Willingness to pay has always come into play. As the expectations have changed in a particular year we hear from aid officers, that indeed a proposed change will or will not be borne by the traffic and there have been adjustments in past years resulting from perceptions of family willingness to contribute.

Last year we did a three-State survey that may be helpful in answering the question, what parents actually pay compared with what they are expected to do. For families with dependent students in the Western States close to a third were in fact contributing what the system expected of them. Another third from whom we expected some contribution were in fact contributing zero. At least this is what the students reported.

There were other families in that same three-State study from whom we would have expected zero and they were in fact contributing considerably beyond that. They were making a maximum sacrifice.

So if you went just on what families were contributing as against trying to set a reasonable standard of ability to pay, it could be extremely confusing.

I did indicate that students attending higher cost institutions received more than their parents than those attending a local community college. The parents don't have to sacrifice or commit as much, at a low-cost college so any standard of ability to pay does not always apply for it is highly dependent upon the price of the institution or the education.

Mr. HAUPTMAN. If I may interject a thought here, this is not as theoretical a discussion as one might suppose. When the form for the guaranteed student loan program was being discussed earlier this year there was a big question with regard to discretion of the financial aid

officer. Willingness to pay of the parents and the situation where the parents could not pay represents more than just a semantic difference. The discussion was very hard to get a handle on, but it seems that willingness to pay is not a concept which we are not using now in this particular sense of the guaranteed student loan program allowances system as presently constituted.

Mr. DELLENBACK. You spoke with a double negative. Do you mean it is being used now.

Mr. HAUPTMAN. Sorry. As I said, it is somewhat muddled, what is allowed and what is not allowed. The financial aid officer and the banker are allowed some discretion in deciding how much might be contributed. I have never seen a particularly clear discussion on whether such discretion does indeed include nonwillingness to pay, or just an inability to pay.

Mr. O'HARA. Let me get at it from one other aspect of this.

Let's take case No. 1, where the family has $5,000 worth of assets, a $13,000 income, two children, one of whom is in college. All systems come up showing an expected parental contribution of between $1,300 and $1,700, in that general range.

Now let's say for instance that the $5,000 represents equity in a home. I would like to ask how you arrive at the expected parental contribution. It seems to me, as Lois Rice has suggested, that if this is a family in my congressional district, the $5,000 represents equity in the home, and perhaps an automobile partially paid for. Now let's look at their monthly budget, or their annual budget, and I assume you must do that. That $13,000 family is making just over $1,000 a month, and if I know anything about their house payments and their car payments and their withholding, and their social security and so forth, they have got that thousand pretty well committed, but where do they dig up the $1,300 to $1,700 that they are expected to contribute?

Mrs. RICE. I will try to answer this question since I worked on these cases prepared for the committee today. At least a couple of things should be kept in mind in case No. 1. If a family had only $5,000 in home equity no system would tax that asset holding; $5,000 is also below the asset allowance in the basic grant system. Although the system BEOG and the services use a different set of allowances, that $5,000 of home equity would not be taxable.

Second, it should be kept in mind that in all the systems used in these cases it is assumed that while that child is at home the family is contributing x dollars to his maintenance, and upkeep, and some of this contribution should be transferable to his educational expenses when he is away at college. Now if the student is a commuter and continues to live at home the family is going to continue to maintain that student at home, and that maintenance figure is part of the outcome shown for the case. None of the systems claims that in addition to maintenance there is an expectation of $1,300, $1,400, $1,600, from a $13,000 a year family.

I think that others can go on and explain this example in greater detail.

Mr. O'HARA. All right. Let's go into it a little bit. You are assuming that they have been paying $1,100 a year, I guess, for the maintenance of that child under your form.

Mr. BOWMAN. Yes.

Mr. O'HARA. What do they save when he goes away? Well, it does not cost any less obviously to heat or to put a new roof on the house if it needed a new roof that year, or it does not cost any less to buy him clothes, if you are still buying his clothes. So obviously that $100 has just about got to be food. His doctor bills are no less. The only thing the family is saving on I guess is they don't have to buy as much food.

Mr. BOWMAN. Food is the primary element, Mr. O'Hara. These standards were derived from what moderate means families spend under the Bureau of Labor Statistics. I think one thing we should keep in mind is that the contributions are only one side of the coin. The other side is the budget of that student at an educational institution, and that budget includes not only the out-of-pocket educaional cost—tuition fees, books, and room and board—but also an allowance for that student for miscellaneous expenses and so on, so that essentially out of the CSS $1,100 would be considered to continue to maintain that child, the part of his allowance, and the food costs that he will be incurring in college and so on. So for out-of-pocket expenses—that is, of educational costs—it would only be about $200, $195. So I think the budget is a very, very important segment at the institution. We are looking at these comparative contributions. Where an institution does not have adequate budget, then the systems get very, very sticky.

Jim, do you have any comment?

Mr. NELSON. No.

Mr. BOWMAN. Let them say something down at that end of the room.

Mr. JANES. We are enjoying this.

Mr. TOMBAUGH. I might amplify on that a little bit because this does look like a substantial amount of money for the family to pay. Because of the fact that the college budget, as Jim has indicated, includes an allowance for clothing, an allowance for medical expenses, an allowance for spending money and so on, that in effect offsets these contributions, so that taking the CSS 1974–75 expectation, for example, we are really talking about the family contributing about $150 more for this student to enroll in a postsecondary education than what they were at least in theory expending upon that student while he was a senior in high school. It is simply being paid out in a somewhat different way, and instead of being incorporated in the family's overall maintenance budget, some of it is being paid out to the institution in the form of room and board, and some of it is being paid out to the student for cash allowance for food and clothing rather than being picked up on the family's charge account from Woody's or wherever.

Mr. O'HARA. I think I made a mistake by getting into that dollar amount question. Let's put it this way. I ask the CSS and ACT this question. In computing the fact that the family of the $13,000 income is expected to make a contribution of somewhere between $1,300 and $1,700 toward their child's education (and apparently under my hypothesis that is out of current income because they have $5,000 equity in a house and a car or whatever.) I presume you figure out what the typical family's payments are for house, car, taxes, and so forth for a typical family of that income level, and indeed after you make those allowances you end up with that family having $1,300 to $1,700 left over.

Mr. BOWMAN. No. That is not the case, Mr. O'Hara. Actually this $13,000 family is very close to the family enjoying a moderate standard of living within the United States. The $1,100, or $1,150 using the updated figures, comes from what the family is spending to maintain that child; it is his share of food costs, clothing, recreation with the family. The basic assumption is that they were supporting him while he was in high school, that they continue to contribute that same maintenance of the student while he was away at college, plus the additional payment of educational expenses to the extent that they are able, and it is out of the, what we term, income above the moderate standard, or discretionary income, that the out-of-pocket education is possible.

Mr. O'HARA. So most of that $1,300 to $1,700 is taken not out of discretionary income in this particular example, but out of what you calculate they are "saving," in effect, by having him away at school rather than at home?

Mr. BOWMAN. Essentially yes, based on the standard. We have to realize, of course, Mr. O'Hara that there are varying standards of how people actually spend their money. I think you can now see why we are quite interested in the allowance for miscellaneous expenses under the educational opportunity grant for example because you can play this game on either the budget side or the ability to pay the parental contribution. If you keep the parental contribution up but you limit the budget for miscellaneous expenses this student gets hurt in the process.

Mrs. RICE. Under the current BOG program, this $13,000 family, (though admittedly not making a great deal of money,) would be a likely candidate for a loan or some other form of aid.

While $13,000 in family income does not seem like a great deal of money, it is nevertheless a solid income. This family probably has a bank account; if it owns a house of $5,000 it does have access to some kind of loan or borrowing possibility. I just simply wish to say that this family might not be laying out cash in the amounts listed on this sheet every September and every February, but what as Mr. Bowman noted eariler, the family might be extending payments over a period of time.

Mr. JANES. I would like to emphasize that I am not sure we have made it entirely clear that the amount of maintenance contribution ostensibly to apply is transferred into the college budget. It is not necessarily the exact amount that for instance CSS might expect, $1,100, but there is an offset so that you don't actually have a literal $1,400 contribution. You have whatever is the differential in effect between the maintenance amount and the college budget and the amount you have expected from the parents. Otherwise you would have a double contribution.

Mr. O'HARA. Well, as long as Mrs. Rice's observation is correct, I sort of assumed that when you got to this financial need analysis thing what you were saying in effect was that out of current income this family with $5,000 in assets and $13,000 income, could be expected to contribute this amount: $1,300 to $1,700. Lois is suggesting that maybe that is not what it means, that maybe it means that in the anticipation that their income will remain constant or go up in the future or whatever, and that they can borrow money so that they don't have to

get it out of current income, that that is what their expected contribution is. Is that right or wrong?

Mrs. RICE. The others made the hypothesis.

Mr. BOWMAN. If I might, Mr. O'Hara, that is the relative measure of the family's economic strength. It can contribute in some manner this amount of money toward the financing of their son's or daughter's education. That would be compared with the budget of let's say $3,000. He would need an additional $1,700 of economic subsidy in order to attend.

Now to expect that that $1,300 is going to be available $750 on September 15, and $650 on February 10 is not realistic, and this is where I feel we need an accessibility index. We have to make that loan available to that, but we don't need to subsidize it. It does not need $3,000.

Mr. O'HARA. But the long and the short is that for the family you are talking about, you are saying that they would have $1,300 out of current income $1,300 to $1,700 that they spend on nonessentials and BOG says they have almost $1,700 they could devote to that purpose. Let's follow through with that family if we could for a minute, and let's see, what with their taxes and so forth that they have left over, what they have left over in a year. Then if they have a house payment and a car payment and the usual Blue Cross and medical bills and so forth, frankly, gentlemen, I just don't see where that $1,400 to $1,700 is going to come from. Now I recognize you have got to hold it down, that is right. In my opening statement I said to you that you really take account of what kind of a result, what percentage of the group you want to have eligible in the end.

I just say if that is the case you ought to say so. I just don't see, given a typical family situation, where they are going to have out of current income $1,300 to $1,400 that they spend on nonessentials that they can then devote to education.

Mr. DELLENBACK. Mr. Chairman, may I ask a question?

Mr. O'HARA. Sure.

Mr. DELLENBACK. I am not sure I understand Mr. Janes correctly on this point.

Are you saying if there is a $1,000 maintenance figure involved in the computation that it serves, in effect, as an offset over and against the $1,400 or $1,600, or whatever the figure would be?

Mr. JANES. One would hope there is a like amount in the college budget. In most cases it does not approximate $1,100.

Mr. DELLENBACK. Are you then indicating that the differential would really be, in this instance, $300 or $400?

Mr. JANES. Yes, because you have an option. You could say let's not include the maintenance amount in the college budget, let's leave that with the family and then they will come out with a smaller contribution. They will also come out with a smaller college budget.

Mr. DELLENBACK. You are both saying the same thing, if I understand you. The differential between the senior year pre-college and the first year in college is not the total amount that would be expected from the family since the prior year—by your standards—the family put in $1,100 in support. Thus, the differential would be $300. Am I reading correctly the way you tie the figures together?

Mr. JANES. Assuming that college budget is appropriate.

Mr. O'HARA. Yes.

Mr. DELLENBACK. Assuming that the college budget is appropriate and assuming that you have cranked in that part of the budget, you then come to your figure of $1,497 or $1,295. The differential is $397 or $195 depending upon which figure of yours you use. The differential is not $1,200 or $1,500. Am I reading you correctly?

Mr. BOWMAN. Essentially.

Mrs. RICE. I think it might be helpful if both the services explain what goes into that moderate standard of living. Where do we get that $1,100?

Mr. BOWMAN. Well, essentially the moderate standard is defined by the Bureau of Labor Statistics as how a family of two parents and two children spent their funds in accordance with certain standards of housing, food, and recreation, those which approximate the middle-income third of our population, using this criterion and for this family in this area it would be around $12,000 annual income.

We have taken those portions of the standard expenditure which could be allocated to the student, and again it is a standard, and have said that if parents should continue to contribute toward the maintenance of the student while he is attending an institution of post secondary education it does not necessarily mean what Mr. O'Hara said—where does the $100 each month come from when the families have totaled up their expenses.

The moderate standard does take into consideration housing expenses, social security, an amount for insurance, plus all the others, recreation and so forth. So it is an approximation of what families are expected to contribute, not an actual cash savings. Well, he is not eating on Monday through Friday; ergo, this will be available.

Mr. PURDY. Let me ask a couple of clarifying questions in preface to a comment. First of all we are looking at a table which says parental contributions. That does not take into account the expected summer earnings on the part of the student, is this correct? So the total family contribution would be increased by another $400 to $500 according to that.

The other thing is—Jim, tell me on your Bureau to Labor Statistics as to what is a moderate living expense. Are those the figures from 1971, 1972, 1973? We are talking about 1974. I get a feeling here that we have been caught in an era of very rapidly increasing inflation which has left our tables 18 months to 36 months behind. Now is this correct or not?

Mr. BOWMAN. It is not correct, Allan. We update every year on the basis of Consumer Price Index. The difference between 1973–1974 and 1974–1975 represents that updating for the CPI.

Mr. PURDY. What year are we talking about?

Mr. BOWMAN. 1975.

Mr. PURDY. You are figuring now for 1974–75?

Mr. BOWMAN. Yes.

Mr. PURDY. Your data was from what calendar year?

Mr. BOWMAN. 1973. As of February, 1973.

Mr. NELSON. And this has been our procedure for 6 years.

Mr. PURDY. But it is based on February of 1973, which is how many months before the student is actually enrolling? Where in years past

that rate of inflation may have been rather small, the passage of time between that Consumer Price Index and the enrollment has to be projected. I think you built in a factor to that, don't you, Jim?

Mr. BOWMAN. No. We are using the actual CPI, but with publication going out saying this is a very unusual economy that we are in, and the change since February, which was our update for our manuals and so forth, it has been approximately 4 percent. This is a judgment factor.

Mr. VOIGT. Isn't that also partially offset by the increase in income during that time period so that the time period during the year of enrollment is not covered but you also take into account that incomes increased during that time also?

Mr. BOWMAN. Well, to the extent that incomes increase concomitantly, but it is a rather sticky comment. For the individual it would make a difference.

Mr. O'HARA. In the last year the cost of living has been going up faster than personal income.

Mr. VOIGT. I would think these partially offset.

Mr. GOGGIN. If I might attempt to clarify a point through simplification, the basic thing that we have been talking about for 10 or 15 minutes is the appropriateness of the estimates of the moderate income levels and the BLS low income levels that are used in the national need analysis models.

If someone has an objection that those are too low, of course that is easily remedied. What we should be looking at I think is for the *N* minus 1 people in the family, or 2 if there are two in college, for the remaining members of the families do the systems leave enough over to expect to support the rest of the family members at the rest of the BLS standard? In most cases I think if you take an array of cases rather than just five or six you will find that CCS and ACT do allow enough discretionary income to support the other family members at what we believe to be the moderate standard of living.

It all goes back to probably the very most basic value judgment, and that is you must decide at what income level you begin to ask for contributions. That is an assumption. As the need analysis systems exist now—and I hope I am not putting any words in anybody's mouth—that value judgment seems to be until the family gets to be very close to the moderate family living in the United States we are not going to ask for parental contribution.

This $1,100 is illusory, in the sense that if one takes that $1,100 and subtracts that from family income, one will find out that the other family members are supported at what we believe to be the moderate standard of living.

Mr. O'HARA. Let me just get into that. There is a practical matter. You are saying, all right, now here is a moderate income family, and here is the cost of a moderate standard of living. Therefore, after you deduct the expected family contribution for this student is there still enough money left over to make up the moderate standard of living? So you are not really relating to the actual family circumstances.

It does not matter to you that the house payment or the rent is x dollars, and that the payment on the car is y dollars, and that the Blue Cross costs z dollars and so forth. That does not really get into

your calculation at any stage of the game except as an average for moderate income families, right?

Mr. GOGGIN. Yes.

Mr. O'HARA. So that is why really in actual fact—I guess I would have to make an assertion here—most $13,000 families with $5,000 of equity in a house and a car would not in fact have been able out of current income to meet that unless they at the same time move to a different house or sold the car and bought an older car, or something like that. In other words, their liquidity is certainly not that great. I think that is what causes—if I can say to Mr. Purdy and Mr. Tombaugh—a $13,000 family to come to you and say, "Look, here is our budget," with so much for house payments, so much for the car payments, so much for the State income tax payment, and so forth and so on. Indeed they don't have the expected family contribution. What has been your experience with that?

Mr. PURDY. Well, certainly the last year or two we have experienced the exact thing which I inferred in my last comment, which was that they expressed a frustration having to face the extremely rapidly rising costs. That has caught them unable to adjust incomes to meet these costs and have the expected money left over.

This I think gets back to an earlier discussion when we say if our expectation level finds just a few of them in a frustrated circumstance, that is expected, but when our expectation curves begin to find so many of them unable, then getting back to our judgments again, maybe we are not really sensing the actual situation of lots of our families. This was discussed earlier in that it is a judgmental factor.

The earliest comment that was made was palatability. In having a commercial product, if we put Munchy-Crunchies out, and the children everywhere like it and eat it, it is a going product. If we put Munchy-Crunchies out and that company finds that the children are not loving Munchy-Crunchies, then they have to add more sugar or something to make that a palatable situation.

I think we are running into a palatability situation here, facing palatability versus statistics. In a larger percentage of the cases we are finding pretty tough going.

Mr. O'HARA. Let me ask one last question and then turn it over to the staff for some questions.

Let's take a California taxpayer who has with his tax dollars been erecting what is probably the country's leading system of public higher education, and he has paid substantially to create this vast system. He has created a whole bunch of junior colleges, and what have you, so that in California more than elsewhere you come fairly close to creating an access to quite a variety of postsecondary educational opportunities at a very low cost for those who wish to avail themselves of those opportunities.

So he says: "Well, now, wait a minute; I have put all these opportunities in place, that kid can get a good education right here in our local public institutions. Why should I pay to send him to Harvard?

As one of you pointed out, I think Mr. Tombaugh, in essence you say to him, "Well, indeed, why should I pay to send him to George Washington?" Let's put it that way.

The philosophy of that is, well, he can choose to go to school wherever he wants, whatever opportunity might be available to him at a lesser

cost. We are not going to be concerned about that. If it is going to cost him more, why then we will help him pay that additional amount at the school of his choice.

Is there anyone here who chooses to quarrel with that philosophy? Are we off on the right philosophical approach? Should we be offering that kind of a subsidy under circumstances of the sort I described?

Mrs. RICE. It depends on what the purposes and goals of public policy are. If you are attempting to maintain a pluralistic system of education, maybe the answer would be "Yes"; with a different set of goals, the answer might be "No."

Mr. O'HARA. Or could you have an in between position which is to say we are not going to forbid this kid from going to Harvard or from going to George Washington, but by George, if we are going to supply him with an opportunity here through our tax dollars to get a good postsecondary education, and if he insists on going to George Washington, let him pay, or let him borrow the money and repay.

What would you say to that?

Mr. NELSON. California might be a good example of a State that decided that one of its commitments and purposes in addition to keeping tuition costs low at public institutions and essentially zero at community colleges, was to provide the State scholarship grants up to $22 million this year for students entering private high-cost institutions within the State.

The State has tried to provide access to low-cost institutions, through a low tuition or zero tuition policy as well as grants to needy students to offset costs in the private sector. Admittedly the grant program does not reach all students, but it is an expanding, growing program.

Mr. O'HARA. Then why should they as a Federal taxpayer pay to send the kid to George Washington? In the State of California they have not only made a commitment to provide low-cost educational opportunity, they have gone ahead and provided a tuition grant program so if he wants to go to Stanford, he can go. Why should they pay to send him to George Washington?

Mr. NELSON. The State of California does not permit their funds to go out of the State.

Mr. O'HARA. But as Federal taxpayers why would they pay George Washington?

Mr. HAUPTMAN. It seems to me it would be helpful to talk about need being defined as cost minus family contribution, rather than relying on the family contribution. In theory at least, the present systems are designed so that a student with $1,500 of family contribution who decides to go to Harvard has his need increased over what it would have been at a lower cost institution. Harvard costs more, but in theory he should be being provided with a loan, not a grant, for that choice of a higher cost institution.

Now there is some question as to how schools define their cost, that there are differences between schools. The relevant figure in all of this is how much a student needs: the cost minus family contribution, not what his family contribution is.

Mr. O'HARA. Mr. Voigt, in his program, has a limit, you see. He says, "Well, now wait a minute. I will pay up to half of the cost, but I am not going to pay over $1,400 no matter where you go. You cannot run up the bill on me by picking the most expensive place you could find."

Now maybe that figures out to be $600, whatever.

Mr. VOIGT. The theory in Federal student aid programs is that we try to provide some kind of choice to the student who wishes to pursue postsecondary education. In other words, we do not try to force those students who are basic grant eligible into the lower cost institutions. We do try to provide a wide range of educational choices not only in the degree credit kinds of institutions, but vocational and technical education as well.

I think the system of the Federal grant programs at the moment is really designed to provide the students that kind of choice.

Mr. O'HARA. Instead we are pushing the middle-income kids into the middle education. I was talking to some of the private college people last week, and they said we are getting so our student body is squeezing the middle kids and picking up those at either end of the economic scale. So in fact what we are doing with our system is pushing the middle-income kid into the middle-income institution.

Mr. PURDY. In the discussion here, Jim and others have said California, Illinois, and to some extent many other States—I think there are probably 25 or 26—the majority of who do restrict it to schools within the State, but many of them do give a differential to provide access to private education, which is a little bit more expensive, and which I think has been based primarily on the recognition of the fact that both public and private are making a real contribution to education, and that philosophically we are not at a point yet where we say we can do without private education because without some help they would find it very difficult to continue to exist.

I would like to come to the defense of my good friend here at George Washington University, who is left without a State—maybe you will have to take care of him in the home rule legislation. [Laughter.]

Mrs. RICE. Just as a point of clarification, or maybe obfuscation, I am very sympathetic to the comments you got last week from private institutional representatives who say that their student bodies are becoming bastions of the very rich and the very poor. I think there is no question that there has been an enormous shift in enrollments in the past years from the private sector to the public sector.

However, to put the discussion into a broader context all statistics that indicate low-income students from families let's say below $6,000 in income are very, very heavily concentrated without regard to their background, ability, or interests to the lowest-priced institutions of both sectors private and public. Low-income students tend disproportionately to be enrolled in low-cost 4-year colleges, in two-year colleges, as well as in the lowest-price segments of the private sector. I am facing this question in my own household, "Why go to Harvard when you can go to Berkeley." The plight of the middle class is real and heart felt, but still their plight is extremely different from the plight of people who have never reached middle class status.

As we set public policy, and determine where scarce subsidies should go we have to consider the gamut of this population, and their needs. We also have to consider whether Federal dollars are going to induce a different set of behavior patterns on one family or another.

With subsidies, low-income families can find it possible to enter postsecondary education. Middle families probably are not going to be induced to enroll because they are already enrolling and subsidies, de-

pending on their type and magnitude will help merely to shift their patterns of enrollment.

What is public policy? I think it is a question the committee is going to have to decide.

Mr. O'HARA. John, do you have any more questions?

Mr. DELLENBACK. I am intrigued by what Mrs. Rice has just said, and I wonder if you have anything to add to your last statement?

Mrs. RICE. You always ask for the ultimate recommendation.

Mr. DELLENBACK. This question of the long-term public policy is our problem, and we are willing to take that responsibility. Yet the input which the panel is providing on this particular issue this morning, and the deeper one that you have just touched upon, Lois, is very helpful to us as we take the final responsibility for the direction of public policy.

Mrs. RICE. I am speaking only for myself, not for the CSSB but I think that as long as we are in a time of fiscal constraint, we should put subsidies where they have a chance of changing behaviors. We can ease the burden through loans and subsidies for families whose children very clearly enter some form of post-secondary education. We still have a great deal of unfinished business in terms of access to higher education for large segments of the population whose dilemma is not where to learn, but whether to learn.

Mr. DELLENBACK. If one agrees with you and says that he accepts the premises on which you base your statement—including limited resources which is one of the crucial things, then I think that this message that you have just articulated needs badly to get out to the higher education community. There are a great many of those in the higher education community who are implying that there should be no limitation on the number of dollars that should be made available for assistance. Others are really saying that even with limited dollars, we should shift at least part of what we do in the way of assisting away from those who would otherwise not be able to enroll to the so-called middle-income group. I say this to you all as leaders of the higher education community—I don't hear this message coming through very often. That is why I pushed you on it in part.

I recognize it is an individual statement, but it is one that troubles me very much as one who is plagued, as many of us are, by the fact that resources are going to remain limited. It is not a case of being able to assist everyone who would ideally want to pursue higher education—turning the Nation into a California where everybody is able to go at almost no tuition to the higher educational institutions of choice.

The Congress is going to be facing increasing pressure, in my opinion, to shift more and more aid to the middle-income group. You can make a great case for aid to the middle income, but if the prices teeter-totter, and it means that you take it away from somewhere else, then we will need some precise input from the higher education community as to where we take the dollars from if we are to increase aid to the middle-income strata.

Mr. Purdy.

Mr. PURDY. Well, I certainly would not be among those who would say to take it away from. I think it is a matter of national priorities, and not taking it away from the low income to support the middle

income. I think in terms of national priorities we are not all that poor economically that with some adjustments we could not have some additional aid for the lower middle income.

Again, getting back to an earlier discussion of the insured loan program which offers a way of helping with some subsidy, yes. Mrs. Rice said it is costing about as much there as it is over on the college-based program. This year perhaps if the program goes on up and it begins rapidly way out and ahead, but in that amount of subsidy we are helping what, three times as many students admittedly in the middle income and lower income? I see some needed adjustments in the insured loan program as maintaining some access to the middle income with some subsidy on the part of the Federal Government, but not nearly that amount which comes with heavy grant programs.

Mr. DELLENBACK. You are saying in effect the unit subsidy is lower. The gross subsidy is very high.

Mr. PURDY. Yes, and I hope that we can sit down and come to some understandable adjustments in that program which can make it a workable program so that a lot of people can use it, admittedly getting a bit of subsidy but not a great deal.

I still say that with the taxes they pay, and the taxes they will pay afterward, any subsidy they get is going to be an awfully good investment, as we found out with the GI Bill and others. So I don't see this thing as an either/or, or a pendulum swing. I think we have to sit steady in the canoe and keep rowing here without making violent adjustments.

Mr. DELLENBACK. Your metaphors have mixed me up a little bit. As an old canoeist we paddled rather than rowed.

Mr. PURDY. You are right. I yield to the gentleman from Oregon.

Mr. DELLENBACK. Mr. Beck.

Mr. BECK. I think if you look at what we have done as I studied the problem, I would guess that the GI Bill probably introduced higher education to the middle-income-class segment particularly, and then we come along with a student aid which again aimed in on the middle-income-class segment. Now starting with 1965, the EOG program you have said, and I think everyone agrees, that you now have to get the lower-income segment into higher education, but the dollars have not been proportionate, so what we have seen is a gradual drain from the middle-income-class group down into the lower-income-class segment that we are trying to pull in, and we have suddenly left here this group that we enticed with the GI bill, and within the other programs without the level of support that they had previously had.

Mr. O'HARA. I think that is a pretty good analysis, and likewise the Congress is going to be considering how to operate these things. I think we will get back to the California example a few times. Maybe the sliding scale of subsidy is wrong, maybe there ought to be sort of a subsidy based on family income and let the kid decide where he is going to spend it, and if it goes further at Berkeley than it does at Cambridge, then he will decide to go to Berkeley. Maybe there is nothing wrong with that, but that is one of the things we will be getting into.

But in any event, I would like to have one of your people march me through example No. 1 and tell me how we got there.

What I would like to do is to recess the hearing and come back at

2 o'clock, and we would certainly appreciate the attendance of those who could return with us, and we will give the staff a chance at that time, and I hope you will begin to educate me a little better.

Before I leave here today I intend to find out where that $13,000-income family is going to find $1,700.

Thank you.

[Whereupon, at 12:20 p.m., the hearing recessed, to reconvene at 2 p.m. the same day.]

AFTER RECESS

Mr. O'HARA. The subcommittee will come to order.

I had indicated before we recessed that our first order of business this afternoon would be to have some of those present lead us through this example No. 1 of the family with $13,000 income and one child in college, and demonstrate to us how they arrived at their results.

I understand the people from ACT are going to have to be leaving fairly soon. I wonder if you gentlemen would like to do that for us.

Mr. GOGGIN. Talking about case No. 1 with the $5,000 net worth and one in college I think that it would be quite easy to follow the analysis in its general outlines if you do focus upon the lower lefthand side of the comprehensive financial aid report. In the boxes labeled Financial Need Analysis Dependent Student the calculation for the parents begins with 1973 base year income and adds other income to get to the total income and then proceeds to deduct the allowances that are acceptable in ACT's dependent model.

First the family size allowance. That is based on the Bureau of Labor Statistics, low standard of living for a family with three, and assuming 3 months at home for the applicant. It allows, of course, Federal income tax, and then the deductions allowance, which is our estimate of the actual Federal income tax deductions.

I might say something about the family size allowance. ACT uses the BLS low standard mainly, I think, for convenience. We find that it is easy using the BLS low standard to isolate that portion of income for those financial circumstances in which we would not, nor would, anybody ask for a contribution from the parents. So we allow that kind (55–60 in this case) of a deduction against income. We deduct no housekeeping allowance. We allow social security taxes of deduction, and we come up with 4,402, which we call available income.

Mr. HARRISON. We are not on the same one. We are looking at case No. 1.

Mr. GOGGIN. I am sorry. I am looking at 1973.

Well, the analysis is the same in terms of the deductions except that we come up with an available income of $4,625. The educational contribution from income alone would be $1,711, and that would be divided by the number in college, one, to get the contribution from income.

The assets are analyzed below that. The family has $5,000 in net assets——

Mr. DELLENBACK. Excuse me. What is the relationship between the

educational contribution and the contribution from income? How do you get to the $1,711?

Mr. GOGGIN. What that is is that the financial aid administrators want very much to know what the contribution from income and the contribution from assets is. The educational contribution is derived by taking available income and applying the final rates against it, assuming that the family's asset picture is balanced.

Mr. DELLENBACK. And your formula for that is what? If we handed you $4,625 as the available income, how would you get the $1,711? Is it a chart you work from?

Mr. GOGGIN. Yes.

Mr. DELLENBACK. Is it a simple form or a complex one?

Mr. GOGGIN. It would be a set of progressive rates that would be found in the handbook.

Mr. DELLENBACK. And those are your determined special rates?

Mr. GOGGIN. Yes.

Mr. DELLENBACK. Mr. Chairman, can you say simply what that relationship is? Is it a percentage? Is it another complex formula that you apply, or what is it?

Mr. GOGGIN. Well, it is much like the Federal income tax situation. It is a situation where you have rising marginal rates and a progressive taxation of available income.

Mr. DELLENBACK. So you begin with the 34 percent, and you move in increments? This is the CSS procedure.

Mr. Henry, where does yours begin?

Mr. HENRY. It is in the appendix.

Mr. DELLENBACK. I am interested in knowing, Mr. Chairman, the relationship. I see that the expected contributions from discretionary income is given to us in a series of percentages. Can you tell us where yours begin and how far they go?

Mr. GOGGIN. Those are on page 25 of the 1972–73 handbook, and they begin from 0 to $1,000 available income. The expectation is $150 plus 30 percent of available income. Then the marginal rates in $1,000 increments on available income, the marginal rates rise from 30 to 31 to 33 to 36 to 40 and so on. So there is an attempt to build into the schedule some progressive situation.

Mr. DELLENBACK. May I ask one other question on that. At your $5,000 or more level, what is your percentage?

Mr. GOGGIN. Well, at $5,000 or more it would be $1,850 plus 45 percent. If you are looking for the average rate, of course, that would change.

Mr. DELLENBACK. No, I am interested really in the comparison between your statistics and those from CSS.

Mr. GOGGIN. Well, it is very, very difficult to compare those two contribution rates because CSS and ACT do not allow the discretionary income and available income that are not directly comparable in the two systems. CSS uses a moderate standard of living, ACT uses a BLS low, so you would not find it, I don't think, fruitful to compare those.

Mr. DELLENBACK. This is giving me what I want, and I appreciate your help.

Mr. GOGGIN. All right.

Was I responsive to the question?

Mr. DELLENBACK. Yes, indeed, you were.

Mr. GOGGIN. The asset treatment below the family has $5,000 in net assets and ACT retirement allowance for this particular family was computed to be $15,629. That is ACT's estimate of what it would cost now to buy an annuity which would begin at retirement and supplement social security payments up to the moderate standard of living for this particular couple taking into account also the savings that is likely to accumulate before retirement.

The formula is quite a complex one, it appears in the handbook also. In short, the retirement allowance is a function of both age and available income. The older the main wage earner, the higher the retirement allowance; the higher the available income, the lower the retirement allowance.

That retirement allowance is then subtracted from the assets to get what we call the available assets. The available income increment is really the amount of assets that we are going to expect something from. We apply a conversion rate to available assets. Those conversion rates once again are in the handbook. We come up with an available increment of minus 531. The expectation from assets then is minus 213. Contributions from assets is the same since there is one in college. The total parents' contribution is the sum of the contribution from income and contribution from assets.

So, in this particular case, since the family had a level of net assets which ACT believes was below the amount of net assets which would insure a moderate standard of living at retirement, the contribution from assets was negative and was applied against the contribution from income to get the parents' contribution.

Mr. O'HARA. In No. 2, the assets are $15,000, so that still leaves you with a negative figure, but not as much of a negative.

Mr. GOGGIN. Right.

Mr. O'HARA. Let's take No. 1. On your 1973 figures up here, is the entire difference there between 1972 and 1973 accounted for by the change in the BLS low-income maintenance?

Mr. GOGGIN. Yes, it is. As you will notice below there was a change in the updating in the retirement allowance also that made a slight difference.

Mr. HARRISON. You use the low standard on everyone regardless of income size?

Mr. GOGGIN. Let me explain what we do. We use the BLS low standard to isolate where for sure we want zero contribution to begin. That does not mean that we favor maintaining families at a BLS low standard. As a matter of fact, we think that the rates applied at the moderate level are, we hope, acceptable and comparable.

Mr. CROSS. Do you adjust toward the region or the area?

Mr. GOGGIN. No, we do not.

Mr. NELSON. This is a proposal by one economist as to how it might be done, but it is not done centrally.

Mr. O'HARA. How come your retirement allowance went down from 1972 to 1973 for that family?

Mr. GOGGIN. The retirement allowance went down because of changes in social security legislation, changes first of all in the maximum social security payments budget, and also a difference in the average disbursements to retired couples and individuals. As it happened, those tended to rise by a greater percentage than did the

BLS moderate standard. The moderate standard is used for retirement and the BLS low is used for others.

Mr. O'HARA. Do you have the data there to explain what the BLS low-family-size allowance is? How it is computed, or what it is? Here is a man and wife and one child, plus the expenses for 3 months for a second child, and that comes out to $5,560 in your 1973 analysis.

Mr. GOGGIN. The BLS low is usually reported in terms of a specific kind of family. What we have to do is take the BLS low standard, apply equivalency rates to it to get what would be the BLS low standard for families of varying sizes and for varying age distributions. For instance, the BLS low was reported for say a family of four that has a certain age distribution of the members. That age distribution is appropriate to the people whose parents usually apply for financial aid or parents of people who apply for financial aid, so we have to adjust that.

Mr. HARRISON. How about the geography, do you adjust for that?

Mr. GOGGIN. No.

Mr. O'HARA. Or urban, rural?

Mr. GOGGIN. No. Although it would be nice to do that, I really don't believe at the present time we have the wherewithal to do that. We don't have cost-of-living indexes on enough places, urban versus rural. It would involve guesstimates. It might introduce another amount of capriciousness into the analysis. When we can come up with cost of living indices by urban-rural, by region, they would fit into the analysis quite easily.

Mr. O'HARA. Do you have a similar source with respect to your computation of contribution from income and your family size allowance as a part of that? The only assumption you make is that the BLS is an appropriate figure. Then how BLS arrives at that is their problem. You don't make any independent assessment?

Mr. GOGGIN. We are not totally remiss. We have looked into what is included. We do find it to be, as I point out, an appropriate base. We are expecting nothing, and we use it in that fashion.

Mr. O'HARA. Then where do you get the retirement allowance? Do you have a similar source comparable to that BLS low?

Mr. GOGGIN. ACT has derived its own retirement allowance formula and it is a function of both the age of the main wage earner and the available income. We believe it to be once again the amount of money which it would take to purchase an annuity which would increase the social security budget up to the moderate standard of living beginning at the age of retirement. Of course, it is an estimate.

Mr. O'HARA. If I might, let me go to Lois Rice. Could you take the same case and tell me why you arrived at a slightly different result?

Mrs. RICE. Mr. Chairman, I thank you. I am going to turn this discussion over to Mr. Nelson and Mr. Hauptman.

Mr. HAUPTMAN. We start out once again with the same case of a $13,000 income family. Now the College Scholarship Service has allowances for (1) Federal income tax, which would be $1,400 in this particular case; (2) allowance for a State tax, which was estimated

for this case to be $350; (3) an allowance for the BLS moderate for the four-member family which includes social security tax and certain other expenses, so that there is no need to subtract social security tax in addition to this because it is already included in your moderate level. For 1973–74 the BLS moderate level was $9,870.

So those are the three allowances for this particular case.

Mr. O'HARA. It would be the three taxes. Social security is included in the moderate.

Mr. HAUPTMAN. Yes.

Mr. O'HARA. The Federal and State tax, and your moderate income family size allowance is deducted from the total of $9,000 and some.

Mr. HAUPTMAN. Right.

Mr. O'HARA. You take that from your $13,000.

Mr. HAUPTMAN. And I have that coming out to be $1,380. That is the discretionary income in the third box down.

Now what you have to remember is that in this particular system when you take the $9,870 out from the income there is a maintenance contribution of $1,100 expected from that $9,870. In other words, that is a base. For example, if the discretionary income in the third box was zero, then the amount expected as a contribution would be $1,100. This is somewhat different from what the ACT system does, where they start out at a lower base and then work up, but it has the same kind of effect.

If you use a BLS low standard, then you are starting out at let's say $6,000 and taking a percentage of income upwards, whereas when you start out at the BLS moderate you are already at approximately $10,000 when you are starting to measure discretionary income. Thus, $4,000 of discretionary income in the ACT system would approximately equal zero dollars of discretionary income in the CSS system. You already have a contribution expected since you start out with higher allowances against your income as the system evolves. It is not a intuitively obvious concept but that is the way that it was developed.

In any case, I thought that would make it easier to see, but perhaps you want to go on and see if it becomes clearer.

Mr. O'HARA. I didn't see how you deducted $9,000-some from $13,000-some and came up with $1,380.

Mr. HAUPTMAN. The allowances in the second box include Federal and State income taxes.

For the parents on the asset side you start out with $5,000. In 1973–74 your retirement allowance was $7,300, which gives you a negative, $2,300 in discretionary assets.

Now in the CSS system they have developed a negative conversion rate, that is, a certain amount of assets is going to be taken out against the income. In this particular case the conversion factor was 10 percent, so that means that $230 are going to be subtracted from the $1,380 to get an adjusted effective income, with the subtraction resulting in $1,150. This $1,150 is the amount of income, plus the amount of assets converted into income, above the moderate standard that is, discretionary income as defined by the CSS system. This amount is multiplied by the contribution rates to get the amount of contribution

over and above the maintenance contribution that was implied in the moderate standard of living.

Does that make the maintenance concept any clearer?

Mr. O'HARA. More or less.

Mr. HAUPTMAN. Well, in any case, you now have $1,150 adjusted effective income, and you apply the discretionary income contribution rates which in 1973–74 started at 34 percent and ranged to 56 percent at $5,000 or more. One of the main differences between the 1973–74 system and the 1974–75 system was that because of pressure from the field these rates were lowered. This is a prime example of where feedback from the field affected a change in the system other than just cost of living index changes.

So when you apply the discretionary rates for 1973–74 you come out with a contribution of $397 from that discretionary income of $1,150. You add that to the $1,100 maintenance contribution you already had and that is where the $1,497 that you see on the table was arrived at.

Mr. HARRISON. I would like to depart for a minute just for the purpose of getting at your theory of the family of the college bound child. Let's assume that need analysis is not related to sending a kid to college. What sort of thing does the family not sending a kid to college put that discretionary income to use do?

I suppose this is a better way to put it. What is it, 56 percent of which, you anticipate a family should be devoting to education of its children? What should it be doing with that money in another situation?

Mr. HAUPTMAN. Well, in the cases of the example stated this morning the family might very well want to buy a second car, and part of that additional income might be the payment on the car.

Mr. HARRISON. The payment on the first car would be accounted for in your standard of living allowance.

Mr. HAUPTMAN. That includes at least one car.

Mr. HARRISON. You see where my question is going. Essentially distinguishing what a family must spend against what is discretionary.

Mr. NELSON. Once that moderate level is set we are assuming that income above and beyond that is discretionary.

Mr. O'HARA. All we know is that BLS tells them what it costs.

Mr. HARRISON. BLS gives them a dollar figure.

Mr. NELSON. Beyond that the rates are pragmatically set. This is one of the points that Art just made. We made a change a year ago on the recommendation of a number of economists to make those rates stiffer, and the institutions that deal with these families said that is just not possible. We did go back to where we were a year before in terms of the rates. The principle is that above the moderate amount, we are assuming that as the income goes up there is discussion in terms of choice by that family, a color TV set instead of a black and white, another automobile, a better standard of living. We are saying that if there is discretionary income, we would expect it to be devoted to a son or daughter going on to higher education.

Mr. HARRISON. As a matter of fact you say about half of that income should be devoted to that?

Mr. NELSON. No; we are saying this past year that the rate is 34 percent of the first $1,000.

Mr. HARRISON. A third or more then.

Mr. NELSON. Yes.

Mr. HARRISON. All right.

Mr. NELSON. We dropped the percentage this year to 25 percent of the first $1,000.

Mr. O'HARA. I know where you get your family size allowance. Where do you get the $1,000?

Mr. NELSON. Well, this is from the Bureau of Labor Statistics, consumption data for a family, and what we have done is to take 9 months of that.

Mr. O'HARA. Nine-twelfths of the same kind of figure that you use in your family size allowance?

Mr. NELSON. That is right for the moderate standard.

Mr. O'HARA. Nine-twelfths of one-fourth of a family of four, moderate income.

Mr. TOMBAUGH. But they are not equal units because the size of the family members contribute to the cost.

Mr. O'HARA. The ages.

Mr. TOMBAUGH. The father and mother have higher consumption rates than the children, and a 16-year-old boy has more than a 3-year-old girl.

Mr. HAUPTMAN. This is a good way of seeing how the value judgment comes in, in the sense that it seems to me there are two basic areas of data available. One is your distribution of students, that is, your clientele. What is their average income? What are their assets? What is their family size?

The second area of data is certain national indices, for example the consumer price index, BLS moderate standard, average asset appreciation, and things like that. That is the only data that is available. It is at that point the value judgment comes in. Do you want to take all the average appreciation of assets, half of it, twice as much? Do you want to take 20 percent of the income above discretionary income—30 50, 70?

When people this morning were talking about value judgme think it is accurate to say that this is the area in which it com and the feedback mechanism that you have is what your reaction this field is, so that when in 1972–73 ACT and CSS decided to try to get together and come out with a standard contribution for their typical family, one adjusted their asset contributions and one adjusted their income contributions, and it turned out that the CSS membership given their clientele was not as apt to accept those contribution rates as ACT was.

So this is the feedback area that people are talking about. This is where the value judgment is most used. That is what people talked about this morning.

Mr. O'HARA. I wonder if one of you could summarize for us what you think the significant difference between ACT and CSS would be.

Mr. QUIE. Jim, would you yield?

You added $1,100 to the $397 to get $1,497. Now what would that figure of $1,100 be if the family income had not been $13,000 but $9,000, or $6,000, or $3,000, using three of the figures?

Mr. HAUPTMAN. I will give it a try. The CSS system does deal with families below the moderate level, so that would include your $9,000,

your $6,000. They have a contribution of less than $1,100, but more than zero down to income level of approximately $6,000 for a family size of four, that is the low BLS standard. Below $6,000 or thereabouts they would have so-called negative contribution; that is, they not only cannot contribute anything but they are so disadvantaged that the student in some sense has to be provided with some essentials which most students usually receive from their families.

So in effect what happens is from $6,000 to let's say $10,000 you have a straight line in which at $6,000 there is no contribution, at $10,000 there is the $1,100 contribution, and then from there on the discretionary tax rates apply for all income above that.

Mr. QUIE. That gives me an idea. A $6,000 farm income is certainly a lot different than a $6,000 city income.

Mr. HAUPTMAN. Maybe I am overstepping bounds here, but obviously one of the big inequities now is the fact that no rural-urban, no South-West, no North-East distinction is made in any of the systems.

Mr. ERLENBORN. Thank you, Jim.

Mr. O'HARA. I guess before we get to summarizing maybe Peter Voigt can tell us how he handled this situation.

Mr. VOIGT. Be pleased to. I think in developing the basic grant system we tried to develop one that is relatively simple with the hope that students can eventually calculate their own family contribution. I think it might help just to walk through this briefly.

We again take the income of the family, subtract from that amount of Federal taxes paid and arrive at effective family income. Our family size offsets are somewhat different in that we use the social security low income threshold. I think a four member family is about $1,000 less than the other system.

We subtract the family size offset from the income less taxes and arrive at the discretionary income figure of $7,300. This chart by the way was developed more for a calculation purpose than the purpose of presentation. So I think if you go down to line 13 where the $7,300 discretionary income appears again, we then at that point expect a contribution from income which is 20 percent of the first $5,000 of discretionary income, and 30 percent of any amount above $5,000. In this case it turns out to be a $1,619 contribution from discretionary income.

We next, going back up to line 11, and look at the family's assets. The way we are handling assets is that we have a standard allowance of $7,500 which is subtracted from all assets. Any amount left after the $7,500 you then expect a 5 percent contribution, which is roughly a little bit below the standard appreciation rate of normal outlay. In this case, of course, the assets are below $7,500 so there is no contribution from assets.

We then also look at the other assets of the family that are some luxury assets which are objects of art, automobiles, et cetera. Those are included in any other asset or luxury asset above $500 which is included in the total. Then we again treat the other assets exactly as we do the normal assets of the family. We have $7,500 offset against such assets and then the 5 percent contribution rate of anything above $7,500.

We then, next in our system, look at the assets of the student, and in

this case there are none so there will be zero contribution from the assets of the student.

I would like to note here that we are dealing here with a family contribution as opposed to a parental contribution. So the resulting contribution rates that we have on the chart presented to us are really not quite comparable. That is, the services normally add $300 to $400 to the parental contribution to get at the family contribution. This is an expectation of summer earnings by the student. For basic grant purposes we did not feel that we could expect to include the student's own earnings in the determination of the family contribution. Many of the students we are trying to reach would not have such a contribution, and we cannot, as the services do, allow for a waiver of these earnings. It is an entitlement program and individual discretion of this kind cannot be accommodated. So we are really not, in terms of these figures, dealing with comparable figures in terms of outcome.

Mr. O'HARA. Well, then your expected contributions are not as different as they would seem at first glance.

Mr. VOIGT. That is right, when you look at all of the family's contribution.

Mr. O'HARA. And you use the Social Security low income which is—is that Orshansky?

Mr. VOIGT. Yes, that is Orshansky.

Mr. O'HARA. It is lower than BLS?

Mr. VOIGT. Yes.

Mr. O'HARA. Then I notice you don't make any allowance for any kind of tax other than Federal income tax.

Mr. VOIGT. No, we do not. The reason for that is that again—

Mr. O'HARA. It is in the Orshansky figure?

Mr. VOIGT. No, it is not.

It is a national system, and we treat all students equally across the country. Some States do not have income tax, they have sales taxes for example, and the complexity of taking these various types of tax systems into account in this calculation system would be severe.

Mr. PURDY. What about Social Security?

Mr. VOIGT. Deductions for Social Security or other retirement programs are not included in the basic grant system.

Mr. O'HARA. Would it be fair to say that if your family income after payment of Federal income taxes was the Orshansky figure that then you would be entitled to a full basic grant?

Mr. VOIGT. Yes.

Mr. O'HARA. If your family income after deduction of Federal income tax was more than the Orshansky figure, you would be entitled to something less than a full basic grant.

Mr. VOIGT. Yes, that is right. For the first $5,000 it would be 20 percent.

Mrs. RICE. Mr. Chairman, I am not sure I can shed any light on this matter, but it should be noted that there are differences in the handling of summer earnings in the table the committee has before it. The legislation governing the basic grants program lists a number of variables that should be considered in making a determination of family contributions, but that list specifically omitted student earnings.

Peter is quite right that the contributions on this table were calculations for ACT and CSS are parent contribution and do not include

summer earnings, but as Mr. Tombaugh and Mr. Purdy said this morning, summer earnings are again one of those discretionary items that the aid officer considers in handling the college based programs. He can decide to use summer earnings or not to use them. I hope I am not being unfair, but it would seem that the basic grants schedule may have been working toward some comparability with the current systems that include summer earnings. This $1,690 figure may be somewhat misleading because the summer earnings were not supposed to be considered in the legislation at all.

We might wish to take a look at the effects of the two systems—CSS and BEOG—on a population on the eligibility of students for the basic grants program. The College Scholarships Service was asked by the Office of Education to go through its filing population during the last few weeks to determine how many students might or might not be eligible for a basic grant. We have approximately 40,000 freshmen students in that file. They are dependent students. We found that when we applied the current BOG schedule to that population 36 percent of the students qualified for basic grants.

We toyed with some other variables. For example what would happen if we changed the handling or assets and instead of having a $7,500 allowance used $15,000 allowance.

With this change we increased the eligible population by about 4 percent to 40 percent. Then we looked again and said, "Well, what if the law did not call for consideration of assets at all." We then found that the eligible population rose to 47 percent. Well, that is an 11-percent increase over those eligible under the current system, but not an enormous change or an enormous difference.

I might just add before going into the next statistic that our filing population, students are applying for financial aid, seems to be very similar to the population of college students generally. The median income of students who filed through the college scholarship is roughly similar to the median of all families who have students in college.

Using the CSS schedule, not the BEOG schedule to determine the proportion of schedules whose parents' contribution of $1,200 or less—roughly the amount that would constitute eligibility for basic grants—we found that instead of the 36 percent eligible under the BOG schedule the percentage of eligible students rose to 49.5 or nearly 50 percent.

This committee has been greatly concerned with the treatment of assets in the BEOG schedule. Assets may not be the major problem. It could be the schedule itself. There may be some kind of hidden problem that none of us know about yet on the income curve that is being used.

Mr. QUIE. Could you run that one by again on the income?

Mrs. RICE. We got a minimal increase with changes in asset treatment.

Mr. QUIE. That I understand.

Mrs. RICE. We got a rather substantial increase in eligibility when we used the college scholarship service system. The major difference between the college system and the BOG system is not only a difference in the treatment of assets but in the treatment of many other variables as well.

Mr. QUIE. I get it now.

Mr. O'HARA. I think the major difference among these systems as I have come to understand them here this afternoon is that one of you is using the BLS moderate standard. One of you is using the BLS low standard, and the other is using the social security threshold standard, the Orshansky, and those are three quite different——

Mr. HAUPTMAN. Well, not entirely. Contributions are a function of two factors, one is your allowances, the other is your rates. One of the reasons why the rates are so much lower in the BOG schedule than in CSS or ACT is the lower allowance used in BOG's. The services allow for more family expenses and so, therefore, the CSS and ACT systems have higher rates on what they consider to be discretionary. There are two ways to skin this cat.

Mr. O'HARA. You say that difference disappears a little bit.

Mr. HAUPTMAN. Some of that disappears because of the lower rates.

Mr. VOIGHT. I think there may be some other differences also other than that, and that is the fact that we treat, for example, veterans benefits and social security benefits substantially differently than services. So I think that may be the reason for that percentage difference that you found in eligibility of the students that you analyzed, not so much as a result of the contribution rates from income for example.

Mrs. RICE. We don't really know what the reasons are.

Mr. VOIGHT. No.

Mr. PURDY. Do you have a figure of what is the percentage of your students who are on social security or veterans?

Mrs. RICE. I would say fairly small, wouldn't you?

Mr. NELSON. We have it, but not here.

Mr. TOMBAUGH. So you have that problem because the GI and veterans benefits were built into the determination, whereas in the CSS system they would come along and be attached on afterward and they would not know about them in that particular case. Part of the problem is right there in that legislation where it requires the full amount of social security.

Mr. O'HARA. That is a big mistake, in my opinion. You know, I think we will rue that.

Mr. CROSS. If it was not for the fact that he was going to college it would have ended, they would not have received the money, so it has to have some consideration.

Mr. TOMBAUGH. On the other hand, that child could have gone out and started working and contributed to the family.

Mr. CROSS. I assume they would be working and contributing under $6,000.

Mr. O'HARA. Well, let me ask Mr. Purdy and Mr. Beck a question. You have been dealing with students and families. What observations would you have to make to us based on what has been explained here about these three different systems?

Mr. TOMBAUGH. Well, I think I would respond by saying that most of the problems that we see in terms of trying to explain to the families our expectations of them can be traced back to the judgmental factors of what conversion rates do you use. They can comprehend up to the point where you indicate that we recognize you need X number of dollars to maintain yourself, and you have Y number of dollars income, so, therefore, you have Z number of dollars of discretionary income and everybody stays with us pretty well through that stage.

It is when the judgmental conversion rates are applied and you say, "All right, of those discretionary resources that you have we expect, let's say, half of them, or whatever it happens to come out to be, used for college" and they say, "What about all the other things I have to buy simply on top of maintaining the family?"

It can be traced to revenues and indebtedness that they have encumbered themselves for over a long period of time utilizing the assumption that the family size offsets, by whatever terminology used, are average consumption figures. So the families that are living at a higher standard of living than that have commitments that they have already made to life.

Mr. O'HARA. I think I run into trouble with you on the first part. I would say, wait a minute, my house payments are $155 a month. My car payment is $115. I pay so much for heat and so much for insurance, and so much in taxes. Then I add it all up and I say, "Look, my grocery bill is thus and so, and I don't see where you figure I have all this discretionary income."

I think that is where I quarrel with you. I think it is BLS that I would have to quarrel with, not the people that use these, and in your case social security. Maybe we have to have them also to find out just how they arrived at their figures.

Mr. TOMBAUGH. You can usually talk with the family though in terms of the need to maintain equity or consistency across families and say just because you have chosen to drive a Cadillac instead of a Ford, or just because you have chosen to eat steak five nights a week instead of hamburger, does not entitle you to get more financial aid.

Mr. O'HARA. Except when you go to Harvard instead of NoVaCoCo. It does entitle you. The Cadillac does not entitle you to more than the Chevrolet, but Harvard does entitle you to more than Northern Virginia Community College.

Mr. TOMBAUGH. In a sense.

Mr. O'HARA. So that is the one luxury, as it were, that the system takes account of.

Mr. QUIE. Other than the fact that you can receive only one-half of cost. BOG now does not take account of the cost of Harvard or some other institution, does it? As long as your cost reaches $2,800 annually——

Mr. O'HARA. You would have a hard time if you go to Northern Virginia Community College, or George Mason.

Mr. QUIE. No, you get there easy if you take it all.

Mr. O'HARA. I have not looked into it.

Mr. PURDY. The way it is set you do have a hard time getting up there because so many of the costs are not included; namely, it just includes the book allowance, and the tuition——

Mr. QUIE. As well as room and board and travel to and from the school.

I don't understand, what are those costs that you don't count. Dates and things like that?

Mr. PURDY. Well, transportation and personal costs, toothpaste and haircuts.

Mr. QUIE. Well, I assume that you were brushing your teeth before you went to college.

Mr. PURDY. But toothpaste is an interesting item. You get it in the

home, it is not charged against the student, if you buy it at school it becomes an educational expense.

Mr. QUIE. Could I ask one other question, Mr. Chairman?

Mr. O'HARA. Yes.

Mr. QUIE. I assume that the freshman students included by Mrs. Rice in her CSS survey who qualified for BOG did receive some aid. What then happens to the institutional scholarship money they would have received? Is there some scholarship money added on top of their BOG, or is more money made available to someone else?

Mrs. RICE. You mean what is happening now?

Mr. QUIE. I thought you were saying that 36 percent of those would also qualify for BOG, so they get the BOG.

Mrs. RICE. No, this was just a kind of census of what the eligible population for BOG, could be. This does not mean that each and every one of these students is getting BOG. These are people who have applied for other aid and who would appear under varying conditions to be BOG eligibles.

Mr. QUIE. Oh, I see. They are the ones who applied.

Mrs. RICE. Yes.

Mr. QUIE. Out of that you have not determined where they are getting their money from?

Mrs. RICE. I wonder if I could just add one thing, Mr. Chairman, which is one of the possible problems with your Harvard and other college analogy, which is that the law was actually written in such a way—the Education Amendments of 1972—to stress over and over again the phrase "actual cost of attendance." That was kind of new language in this legislation as opposed to income levels that had been established in earlier days. Even Macomb Community College costs more than $2,000.

Mr. TOMBAUGH. The only reason that institutional costs have to be increased to operate these programs is that you are making the assumption that the money is freed from the family budget for educational purposes so you have to put off setting entries into the institutional budget to take care of the things that are no longer being purchased out of the family budget. So it is a rob-Peter-to-pay-Paul concept, but I think in almost every case we are not putting as much into the institutional budget as you are assuming is coming out of the family budget. So I think in the long run perhaps from an economic point of view you could justify even a higher institutional budget because there are a lot of things that are not built in most institutional budgets like frequent trips back and forth from school to home and so on.

Mr. O'HARA. What you are saying, Lois, is that every institution just about runs into BOG ceiling, which is $2,800—that is what it amounts to. You are eligible for up to half of the basic of the cost of education, but not more than $1,400, right?

Mr. VOIGHT. That is at full funding. This year I think it makes no more difference in the cost of education, simply because when the reduction language that is in the legislation is applied to the appropriation, the highest cost which affects the amount of the grant is $1,250.

Mr. O'HARA. Al, do you have any more questions?

Mr. QUIE. No.

Mr. O'HARA. John?

Mr. DELLENBACK. Yes.

Mr. DELLENBACK. I have two further questions that do not directly focus on our present line of discussion—if there is any further comment, that is fine. There is an area where I would welcome the input of any member or members of the panel, namely how do you read the impact of what is predicted to be a growing trend toward more and more independent student households. We hear of growing numbers of students declaring themselves out from under parental surveillance—partly because of the age of majority being lowered, partly because of the voting age, and partly because of economic reasons.

Are there comments that you can make to us as to the predicted impact on the subject that we have been addressing today in light of this particular possibility or even certainty?

Mr. NELSON. Mr. Chairman, if I might, I will start it off. There is little doubt, in my mind that we are seeing an increasing trend toward self-supporting student population around the country. As we looked at studies 6 years ago and 4 years ago and most recently in the last year, in California. We see the number of students that consider themselves, to be self-supporting on quite an upswing. Using the definitions that are used under the guaranteed loan program or the basic grant program of some period of time away from the home and not receiving any money from the home or not being declared an income tax dependent, the Western States still show a very sizable proportion of their undergraduates meeting those criteria.

Mr. DELLENBACK. Excuse me. You are finding it more in the West than in the East?

Mr. NELSON. Yes. We don't have enough State studies. We have only one Eastern State and we find in that State that the percentage is about half of what we found in the Western States. So it is quite difficult to draw a natural picture.

But indeed I think we can accept other characteristics of the Western States too—more public education, more community colleges, more community college enrollments, more adults in college. I think that adults, not just the typical age group—may hold a job and still be enrolled in school and more adults will make a difference in this entire picture.

As you may know, there have been legal cases in several States dealing with the issue of age of majority and how it relates to paying for education. I think State laws—at least for the immediate future—are going to govern a lot of what is decided. I think it will undoubtedly come to the point of legal action on the part of students somewhere, but at this point we see it only as State actions with very different opinions handed down depending upon the State's own laws. Certainly we are all concerned about how to treat the self-supporting student equitably under our system. We're also equally concerned about dependent students.

It is a subject none of us has answers for. We are wrestling with it and we do have approaches for trying to determine the need of the self-supporting student.

The issue could of course have a real impact on how we finance post secondary education, but I certainly don't have any easy answers.

Mr. YOUNG. I would only add that there are considerably larger numbers of independent students in the proprietary and technical schools and, of course, these students qualify for the range of Federal student aid programs.

Mr. VOIGT. I just briefly would like to add, too, that a sort of underlying philosophy of the Federal student aid programs is that parents are expected to pay for the education of their children. I think we are quite worried about the trend toward students declaring themselves independent about the possibility of that happening all over the country and just completely changing the whole focus of the student financial aid program.

The upper- and middle-income students are then for reason of their independence, whether they actually get support or not from home, able to take advantage of benefits designed really for low income students. So we are watching that one very closely.

This year, as you know, the program was limited to first-time students, so that independent students were a very small percentage of our applicants.

Mr. O'HARA. Parents are catching on, too. I got a letter from one just this morning or Friday morning, who said to me, "I suppose I would be smarter if I quit taking an income tax deduction for Bobby or whatever and let him declare himself to be independent."

I presume also that is why you have as a criteria the idea of not only where you take it as a deduction this year, but with you taking it as a deduction last year.

Mr. VOIGT. Exactly.

Mr. O'HARA. In order to head off that kind of thing.

Mr. VOIGT. I don't know the extent to which that will be successful because parents plan ahead.

Mr. O'HARA. Now that I finally mastered the system——

Mr. DELLENBACK. Now we see the real thrust of all these hearings.

Mr. PURDY. Certainly this has been a problem developing relatively slowly through the years and we have dealt with many students who themselves declared themselves independent and sometimes with justification and sometimes not, but it is a problem of judgment either way. We would really have a problem if the courts ever declared a 18-year-old independent because I think we would be right back here then discussing, O.K., what is society going to do now since the courts have immediately created a new kind of poverty; namely, the independent 18-year-old who today he is independent by court because he had a birthday, yesterday he was a dependent of a parent that at least had some responsibility for his support.

In that case we are just going to have to come back and rethink how we can help in the situation. So I don't know of anybody who would dare to answer that one at this point. In the meantime though we have still got a growing problem, as Jim indicated, on the honestly growing number of independents because of the older age of the student, and this is one of the things you have gotten in the trade and technical and home study school is that older group of students.

Mr. DELLENBACK. If and when that happens, we will be eagerly awaiting your suggestions as to changes in legislation.

Mr. O'HARA. Now, gentlemen, I understand there are some planes that have to be caught. What I intend to do is to adjourn the hearing and ask those of you who are able to do so if you would let the staff pick your brains for a period of time and sit here and discuss with any of them who wish to discuss it further with you. Is that all right?

Mr. NELSON. Fine.

Mr. DELLENBACK. We thank you all, each one of you. This has been very valuable and very helpful.

Mr. O'HARA. It has been and I think we need the BLS people.

Mr. PURDY. Thank you.

Mr. O'HARA. Thank you very much for cooperating with the committee. You have educated all of us. We now understand a little bit more. We will not be any less demagogic, but at least we will know when we are doing that more often. So thank you very much.

The committee will now stand in adjournment under the conditions I have stated.

(Whereupon, at 4:07 p.m. the subcommittee adjourned, subject to the call of the Chair. The following discussion ensued:)

Mr. HARRISON [presiding]. I don't think we will keep you an inordinate period of time. The members covered most of the questions.

I had a couple that I wanted to look into.

What portion of the whole available spectrum of student assistance, students of scholarships, loans, grants are we talking about? We are talking about need analysis. Is there still a respectable amount of financial aid available out there of any kind of all—State, private, what-have-you—to students, let's say, on any other basis than need on basis of academic record?

Mr. TOMBAUGH. The athletic grant-in-aid program is a pretty sizable one. Other than that, there is not.

Mrs. RICE. I was going to say that we sometimes look upon the OE-administered programs as being at the heart of all student aid in America. They are not, if one looks at the budget for fiscal 1974, for OE-administered aid programs, there is $1.2 billion, another $2.3 billion goes in the form of aid through veterans and social security benefits. Those are the two largest programs and are not need based.

Need-based State scholarships this next year demand $375 million in grants to students, actually a bigger budget than for Federal OE-administered grants this year.

Mr. HARRISON. But those are need States.

Mrs. RICE. Yes.

Mr. BOYD. Thirty percent of them would have them. Seventy percent of that money is going to students regardless of academic potential who have need, but none are just given on the basis of academic potential alone.

Mr. HARRISON. What about private money, institutional endowments and the like? Are there still any academic merit scholarship funds out there?

Mr. NELSON. Yes; there are some. We don't know how much or how many. Most institutions, I think, still have some funds committed for such scholarships. In many cases they are legally committed to a particular purpose and some also have a small group of recognition awards of $100 or so, but apart from that I don't know of any large-scale funds that are awarded regardless of need.

Mr. HARRISON. Anyone want to add to that?

Mr. PURDY. I would certainly say there are some residual programs out there for academic recognition.

Mr. HARRISON. But nothing big?

Mr. PURDY. But nothing big in comparison to what we are doing otherwise.

Mr. TOMBAUGH. GW spends about 5 percent of their institutional funds on academic awards only. I don't think it would exceed that in any place and in most places it would not come close to 5 percent. I think you will find it more prevalent in the private institutions that feel it is necessary that they be able to equalize the cost differential for a given family that could afford either on a needs basis.

Mr. HARRISON. Let's go back to the completely unrelated subject that you mentioned earlier. You mentioned CSS' survey, I guess the survey of students, to see how much money families were, in fact, contributing.

Mr. NELSON. Yes.

Mr. HARRISON. Tell me if I am wrong. I believe you said a third of the parents were contributing zero, a third were contributing less than the expected contribution, a third were contributing the expected contribution or more. Two-thirds then are falling short of expectation?

Mr. NELSON. In the three Western States that I summarized that was the story. The State of Pennsylvania is a different pattern, the one Eastern State that we have.

Mr. HARRISON. Well, what is the pattern in Pennsylvania?

Mr. NELSON. The pattern is closer to half, meeting either the cost of the institution or our expectation, the other half dropping below.

Mr. CROSS. It is an interesting pattern.

Mr. NELSON. Also a pattern in terms of cost.

Mr. CROSS. Because the Western States have been public institution-oriented.

Mr. HARRISON. I was not trying to plumb for reasons, I just wanted to get data on the record first.

Mrs. RICE. These studies mentioned by Mr. Nelson included aided and nonaided students. The nonaided group has never been faced with a parental contribution and a lot of the nonaided students believe it or not, are working a great deal to pay expenses. Some of them are working, some of them are spending much more than our system would ever expect them to spend.

I think if one looks at the aided candidates alone who have gone through the systems then you would see that willingness and contribution is much highly correlated.

Mr. NELSON. As I mentioned earlier, California has a much older student group, so you would expect a number of students even though you might classify them as dependents, to be out of the household.

Mr. PURDY. Is this a study of those who applied to CSS for help?

Mrs. RICE. These are statewide studies of aided and nonaided students.

Mr. HARRISON. Maybe I misunderstand what that is. The one-third, one-third, one-third arrangement was in terms of the parents meeting an expected family contribution level?

Mr. NELSON. That is correct.

Mr. HARRISON. Well, in the case of the older self-supporting students you would not have much of a level anyway.

Mr. NELSON. No; I was only talking about the older students in the third, third I indicated they did not meet the indicated Federal criteria for the grant program.

Mr. HARRISON. Now I have one last question so far that has occurred to me. I am absolutely mystified by something in chapter 5 of the

book CCS Analysis. Throughout that chapter and elsewhere in the book there is the implication that there may be an expected parental contribution for a self-supporting student. What does that mean?

Mr. NELSON. We do have two separate data collection documents and two separate need analysis procedures, one for the self-supporting student and one typically for the dependent student; on the self-supporting forms we also ask for data on parents. Some State programs do indicate that they want that parent information regardless of student status. So where that information is provided for the parents as well as the student, we will come up with a contribution and then it is up to the institution to make a determination as to whether it is appropriate.

Mr. HARRISON. Could it be made relevant to some of the Federal institutional programs?

Mr. NELSON. It has been in the past, for example, with the EOG.

Mr. TOMBAUGH. The EOG is tied to the situation the student may have come from. If he moved out of the family's $50,000 home with a $100,000 income and becomes independent, it does not qualify him for EOG just because he is totally needy. I think perhaps the only resolution to this independent student dilemma is to start tying it to a moral obligation to contribute as opposed to a legal one. As a matter of fact, I am not sure the legal one has been ever established, but that may be the only way we get around the huge influx of greater demand for resources by everybody becoming independent at 18.

Mr. HARRISON. You know, that is what is troubling me. The more I think about need analysis I get the feeling that without any of it ever becoming a legal obligation a bunch of moral judgments made by people in our business have become de facto obligations on parents and on students whether the parents or students want them to be so.

A lot of moral judgment, it seems to me, is implicit throughout here as to the parents' obligation to do without things they might want to have otherwise in order to send the kid to school, which we are in effect imposing not by law but by formula and guideline and regulation.

I don't know whether that is bad or not.

Mr. PURDY. I think you are right. I admitted, and I am not even apologizing for it because at the same time when Congress passes a provision to help some of those who don't have the money, that indeed is to me society's moral obligation. So I think we are dealing with moral obligations here and I don't even apologize for doing it.

Mr. VOIGT. I think in addition, you really are dealing, at least in the basic grant system, with a rationing device for distributing limited Federal resources to those who need it the most. The student can work in the summers, for example, come up with the expected contribution or the balance of his need if the expected family contribution is not forthcoming.

Mr. TOMBAUGH. He does not have to show a signed receipt that he collected that much from his parents before he collects his Federal grant.

Mr. NELSON. There are some other countries, of course, with a very different tax base and structure that have gone completely away from parents' contributions. Sweden, as an example, where they did have an expected parent contribution up until a couple of years ago.

Mr. PURDY. For what percentage of the high school graduates?

Mr. NELSON. As I say, it is not just the tax structure, but also much smaller proportion of the population.

Mr. CROSS. In other words, your study of those 400,000 applicants was that of the applicants for a basic grant or with those CSS applicants?

Mrs. RICE. This was the universe of entering freshman dependent students this fall who filed a P.C.S. and were presumably seeking some type of financial aid.

Mr. CROSS. In the conversation here on the willingness versus ability question and how it relates to loans versus grants I sort of sensed the sort of unspoken feeling that when you are talking about loans, you are talking about willingness to pay, not ability, and yet I didn't hear a distinction made between the subsidized and the unsubsidized loans. It strikes me that it is very possible that if a kid getting a fairly sizable loan each year for 4 years may, in fact, have a bigger subsidy paid to him than somebody getting a basic grant or a work study grant or something of that sort for 2 or 3 years of his college career. I am a little bothered, I think, by the fact that there has not been that kind of distinction made because, as Lois pointed out, what is happening in this is it is increasing very rapidly.

You know, although it may have plateaued a little this year, it is certainly going to take off again because the past obligations have built up and all the rest of it. I saw some projections at one point that took it up to $700–$800 million.

Would you comment on the distinction and whether you view the willingness versus ability question to apply to the subsidized guaranteed loan?

Mr. NELSON. Some of us have been concerned that we did not have sizable resource for parent loans.

Mr. CROSS. For what?

Mr. NELSON. Parent loans, when we are talking about the willingness of parents to contribute.

Mr. CROSS. In one of these publications there was a very interesting article about that.

Mr. NELSON. For example if a parent is not willing to make the expected contribution so his son or daughter has to take out a loan as either subsidized or unsubsidized. Then we do not have a good resource for parents' loans. That very fact can have considerable impact on a family's willingness to contribute.

I don't know how to make a judgment from what I have heard, but I think the limited unsubsidized loan resources have certainly had a real impact on the way families behave.

Mr. CROSS. In your discussion how would you classify subsidized loans? Would you classify them in with the grants where it is ability or would you classify them over in the strictly market lanes where it is willingness?

Mr. NELSON. It is not that neat, it just is not. I think again the aid community has been pretty consistent through the years in saying that sizable subsidies should be determined really on a basis of need.

Mr. TOMBAUGH. I guess we could feel a little differently about it if the unsubsidized loan were a reality rather than a legal instrument that does not exist for any practical purpose. Speaking just for my-

self, I would just as soon see the subsidized loan eliminated and made a loan for parents which just by its very accessibility would probably have some subsidy involved because of the guarantee and so on, but I think that subsidized loan has the tendency to encourage parents to transmit their responsibilities for educating off to their kids. That has bothered me personally.

Mr. CABLE. I think the willingness and ability gets a little bit muted. Changing your tax on income is clearly a reflection on willingness and not on ability. I mean it seems to me that it makes it more palatable if the tax is less than you know. I was disturbed a little bit about the support of the neat clear line that you draw between ability, whatever that is—and I think there is a lot of question in that—and willingness. It seems that you cross back and forth many times in those value judgments.

Mr. NELSON. Bill, I think what we have said there is up to that moderate level we feel reasonably secure, but here again we are examining and continuing to examine our system. It is only when you get the moderate level that we don't have a nice clear handle of any kind that we can hold on to so we begin to vary the rates on a pragmatic basis.

Mr. TOMBAUGH. I don't think it is all that, Jim. Parents say they are not able to pay through financial aid officers who say your rates are unreasonable for the current market conditions. Now we may be interpolating a willingness.

Mr. HARRISON. What is the difference?

Mr. TOMBAUGH. Well, when I sit down across the table from a family who does just like Mr. O'Hara was doing, says, "I have to pay this much more mortgage, this much for cars, this much more for food and this much more utilities, now where do you propose I come up with $100 a month?"

There is where we go back to CSS and say we think your taxation rates are too harsh, they were not in line with reality. That is not a test of unwillingness, but a test of the very pragmatic market situation.

Mr. CABLE. It does not compare with the BLS moderate standards—I mean the $60,000 house instead of $20,000 house or $40,000 house. I am not arguing, but there are both sides of that.

Mr. CROSS. What I find interesting is, according to Jim, in the whole history of the system, going back to Munroe and Babbidge, that was really based on willingness, because you were actually measuring what people were paying.

Mr. NELSON. At that kind of an institution.

Mr. CROSS. Yes; but that is what people were paying for education over the years. That has somehow been translated and undergone sort of transformation into what it is now, where it becomes a measure of ability to pay. That progression is a very interesting one. I am not sure what that really leaves us with, but it has changed in a 20-year period.

Mrs. RICE. I just want to underscore what Jim was saying, because that willingness was developed within a very confined set of institutions, and from many studies that we have done of what parents actually pay, very much related to the value that they attach to education or to a particular type of education.

For example, as Jim noted, a lot of terribly low income families—even though there is a zero expected contribution on the tables—are

willing to come up with $300, $400, $500 from somewhere because they value education very highly.

Another family may value an education at Harvard, for some set of reasons, more than they value an education at the University of Michigan or University of California. It is hard to know what the differences are, but their willingness and their ability to pay for that kind of education is a kind of consumer choice.

The other dimension that you might sometimes look at as you consider the loan programs—are a lot of families out there who are borrowing and borrowing unsubsidized money, exclusive of the guaranteed loan program, from banks, and banks like to make those kinds of loans to the family—the good customer who has a good, solid account.

Mr. HARRISON. You are talking about a good, solid consumer loan.

Mrs. RICE. Yes, for education purpose. I think the ABA should be able to provide information on this type of borrowing. What is the volume of those education loans in banks that have nothing to do with the guaranteed program?

Mr. CROSS. That is a good question in New York. Bill was there, and Al was talking about the Dime Savings Bank, for instance.

Mr. TOMBAUGH. Education Plan, Tuition Plan, College Aid Plan do a lot of business. I think Lois' point is worth pursuing, too, and that is, at least in the period of time that I have been in student aid, there has been an increasing resistance to the kinds of expectations that the aid community has been making of parents. I mentioned earlier today that that was partially because of inflation and so on and making it tougher for them to come up with those contributions.

But I think Lois' point is a very real one, and that is that the striving for secondary education has lessened over the last 2 or 3 years and families question more the sacrifice that is going to be necessary to come up with those contributions. I think that has had an impact on the kind of feedback we have gotten on how reasonable or unreasonable the contributions are.

Mr. CROSS. It would be a fascinating study to take kids who are from families where they have never been college attendants and see whether those families are not, in fact, doing a better job of meeting expectation——

Mr. TOMBAUGH. Oh, they are.

Mr. CROSS [continuing].—rather than kids who are second or third generation.

Mr. TOMBAUGH. You can almost divide the college-bound into three categories, and I have been tempted to do it for a doctoral dissertation sometimes. The families who show a willingness to provide as much as the expectation would expect, those that fall within $200, either side of that, and those that miss it by more than $200, and find out what the sociological and psychological differences in those families are.

As a general rule, you can trace it to: The families who are least able to pay are pledging an amount greater than the expectation; those that are most able to pay are pledging an amount less than the expectation; and then there is a middle group that comes very, very close.

Mr. HARRISON. Which leads us to a moral about perceived value of college education, which I don't think anyone wants to pursue.

Mr. CROSS. It is more than that; it is family investment.

Mr. CABLE. What could you help us with on the BOG? I don't mean

off the top now but sort of: Have you got any ability to collect what you have done at a given point in time and put together some summary stuff for us?

Mr. YOUNG. I think there is a plan at USOE to do considerable messaging of this data.

Mr. VOIGT. I think the hearings scheduled for the basic grant family contribution schedule is where we will present that data to you.

Mr. CROSS. Don't be mysterious, Peter. When is that?

Mr. VOIGT. I don't know exactly when that will be.

Mr. CROSS. I see.

Mr. HARRISON. He is not being mysterious, he is being subtle.

Mr. CROSS. You already had a hearing in the Senate.

Mr. VOIGT. Yes. We presented data on the impact of the current schedule.

Mr. YOUNG. This year's data should be approached with great caution because you are talking about first-time, full-time students in a program that started rather late and it would be dangerous to generalize from that what would be the case a year hence.

Mr. CROSS. Sure, but it is the only data we have.

Mr. VOIGT. It is a fairly large sample. We used 240,000 applicants as of the 14th of September. We do break it out by what the family contributions are and what the asset picture looks like for farmers, nonfarmers, businessmen, and so forth.

Mr. CROSS. Those would be good figures to have.

Mr. HARRISON. Thank you.

STUDENT FINANCIAL ASSISTANCE

(Theory and Practice of Need Analysis)

THURSDAY, NOVEMBER 15, 1973

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION OF THE
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 9:15 a.m., pursuant to notice, in room 2257, Rayburn House Office Building, Hon. James G. O'Hara, chairman of the subcommittee, presiding.

Present: Representatives O'Hara, Lehman, and Dellenback.
lenback.

Staff present: A. C. Franklin, subcommittee counsel; Elnora Teets; subcommittee clerk.

Mr. O'HARA. At our hearing last month on need analysis computations required in connection with Federal programs to help college students finance their education, representatives of the College Entrance Examination Board and of the American College Testing Services told the subcommittee about the systems their organizations have devised.

Put in very general terms, their systems determine the money resources the student has available to him to meet the costs he will face during the academic year.

On of the determinations made in a need analysis is the amount of money a family of given economic circumstances should be contributing to the postsecondary education of their children. In the need analysis systems, money that must be used by the family for various necessities is counted as not available for contribution to their children's education.

This money figure, the so-called family maintenance allowance, is taken by the College Entrance Examination Board from the Bureau of Labor Statistics moderate living standard. The American College Testing Services uses the Bureau of Labor Statistics low living standard figures.

In the procedure the Office of Education has established for computing the expected family financial contribution for purposes of determining the amount of a student's basic educational opportunity grant, a comparable figure is called the family size offset. This represents the amount of income that must be devoted to family living expenses. The figures that the Office of Education uses are based upon the "Weighted Average Thresholds at the Low Income Level" developed by the Social Security Administration and published by the Bureau of the Census.

Here this morning are Eva Jacobs to explain the development and use of the Bureau of Labor Standards low- and moderate- income standards and Mollie Orshansky to tell us about the Social Security Administration figures which were in fact developed by Mollie Orshansky herself.

Eva Jacobs is Chief, Division of Living Conditions Studies, U.S. Department of Labor. Mollie Orshansky is a senior Social Science Analyst at the Social Security Administration.

Would you ladies please both come to the witness table at this time and tell us--hearing first, perhaps, from BLS and then from Social Security Administration, how those income standards were developed and in what respects their uses in the College Entrance Examination Board and the American College Testing Services systems or in the Office of Education's BOG family contribution schedule are realistic and in what respects, if any, the uses being made of them in need analyses are not realistic.

STATEMENT OF EVA E. JACOBS, CHIEF, DIVISION OF LIVING CONDITIONS STUDIES, OFFICE OF PRICES, BUREAU OF LABOR STATISTICS

Ms. JACOBS. Mr. Chairman, the Bureau of Labor Statistics appreciates this opportunity to appear before this special subcommittee.

The subcommittee has requested data from the Bureau of Labor Statistics in order to determine what families should contribute to the postsecondary education expenses of their children. At the present time the Bureau has no current data on family expenditures by income class which would assist in evaluating present needs analysis procedures.

The last consumer expenditure survey conducted by the Bureau was for 1960–61. In 1972–73 a new survey is being conducted by the Census Bureau under contract with BLS.

Because of the complex nature of the survey and the extensive processing requirements, these data will not be available for some time.

However, the Bureau can assist the subcommittee in understanding the BLS family budgets, which are being used by the College Entrance Examination Board and the American College Testing Service to figure expected parental contributions.

Before describing the development and significance of the family budgets, it is important to note what they are not. The budgets do not represent the ways in which family incomes should be spent or the ways average families actually do spend their incomes.

They measure the cost of a hypothetical "market basket," consisting of specified commodities and services consumed by a particular type of family. Three such lists of goods and services have been developed, referred to as "lower," "intermediate," and "higher" budgets for each of two family types—a younger four-person family and a retired couple.

The budgets are the end result of a multitude of decisions by the budget maker, based on standards formulated by scientists or experts or on analysis of data on consumption patterns from a variety of sources.

Judgment is involved in selecting among the family types and

manners of living to be represented, evaluating the basic data, and determining procedures to be followed in deriving items, quantities, and prices.

The concept of the intermediate budget was developed by BLS in the mid-1940's, in response to a directive by a subcommittee of the Committee on Appropriations of the House of Representatives to provide information on the costs of an adequate standard of living for use in appraising income tax exemptions.

Annual pricing of the original budget was terminated in 1951, because the list of goods and services which was used to determine budget cost was considered outdated.

A new list, representative of consumption patterns in the 1950's, was derived and priced in 20 metropolitan areas in 1959, and results were published as "The Interim City Worker's Family Budget."

Costs of a third edition of this budget, influenced by levels and patterns of consumption in the 1960's, were published for 1966.

Then, this single-level budget was supplemented by two additional budgets, which are illustrative of levels of living lower and higher than the intermediate budget. The three levels were priced initially in spring 1967 in 39 metropolitan areas and four regional classes of nonmetropolitan areas.

In spring 1969 the budgets were repriced, and in spring 1970 their costs were estimated by applying price changes reported in the Consumer Price Index to the appropriate budget components of goods and services and recalculating the applicable taxes.

In autumn 1971 and autumn 1972, these costs were similarly updated by price changes in the CPI. In other words, the budget costs have not been estimated by direct pricing since 1969. The area and regional estimates reflect differences in preference patterns, climate, transportation facilities, and prices.

All three budgets were designed to provide for the maintenance of physical health and social well-being, the nurture of children, and participation in community activities. The content of the budgets reflects the manner of living and consumer choices in the 1960's.

Within this broad framework, the budget derivation procedures distinguished different levels of adequacy by varying the assumptions concerning the manner of living and by providing different quantities and qualities of the necessary goods and services.

The construction of the budgets requires a set of specifications which must be formulated explicitly at the outset. The BLS budget family consists of an employed husband age 38, with a nonworking wife and two children, a girl of 8 and a boy of 13.

Cost components for other family types cannot be derived as multiples of the budget family although BLS provides a scale for estimating equivalent total costs of consumption for different types. The scale is based on the assumption that families spending the same proportion of income on food have attained equal levels of living.

The manner of living in the lower budget differs from that in the intermediate and higher budgets in several specifications: The family lives in rental housing without air conditioning, relies heavily on the use of public transportation, supplemented—where necessary—by the use of an older car, performs more services for itself, and utilizes free recreation facilities in the community.

The life style in the higher budget, on the other hand, is marked by more homeownership, compared with the intermediate budget, high levels of new-car ownership, more household appliances and equipment, and more paid-for services.

For a majority of the items common to each budget, the quantity is greater and the quality higher in the intermediate than in the lower budget, and in the higher than in the intermediate budget.

Two kinds of data were used to derive the lists of goods and services. For the food-at-home and the shelter components, nutritional, and health standards determined by scientists and technicians were used.

Recommended allowances for nutrient intake have been scientifically formulated for individuals in different sex-age groups. The U.S. Department of Agriculture, on the basis of data from their 1965 Household Food Consumption Survey, has translated these requirements into food plans at different cost levels, which reflect the actual consumption patterns of families with varying amounts of money to spend for food.

The USDA low-cost food plan was used for the lower BLS budget, and the moderate and liberal-cost plans in the intermediate and higher budgets respectively.

Similarly, technical experts have described standards for shelter relating to factors such as sleeping space appropriate to family size and composition, essential household equipment, including plumbing, adequate heat, structural condition of the unit, and neighborhood location.

Beginning with these basic requirements, housing units may be rented or purchased at different levels of costs. A housing unit may include a guestroom or den in addition to adequate sleeping space for the family, or it may have two bathrooms or more, central air-conditioning, architectural distinction as well as sound structural condition, and it may be located in a convenient or exclusive area.

For the current budget, average contract rents and purchase prices of owned homes were accepted as a proxy measure of such qualitative differences among all housing units which conformed to the basic standards.

Thus, the average rent for the low third of the distribution of contract rents for units which met the housing standard was used for the lower budget, while the averages for the middle and high thirds of the distribution were used for the intermediate and higher budgets, respectively.

For the transportation component, prevailing practices of budget-type families themselves, as revealed by date from the 1960–61 survey of consumer expenditures, provided the criteria. Ownership of a car was specified for varying proportions of families at the three levels.

Specifications for the ages of the cars purchased and traded in, and for the number of miles driven also differed at each budget level. Within each budget level, transportation costs differ as a result of the variation in the importance of automobile ownership and usage in individual metropolitan areas—a reflection of the greater availability of public transportation in some areas than in others.

The medical care component in the three budgets provides basic hospital and surgical insurance for all family members, obtained by the husband through a group contract at his place of employment, consistent with prevailing patterns for families of the budget type.

Allowances for medical care not covered by insurance were estimated from 1963–64 utilization data from the National Health Survey or from the 1960–61 consumer expenditure survey data.

For other categories of consumption—house furnishings, household operation, clothing, personal care, education, reading, recreation, meals away from home, and alcoholic beverages—analysis of actual consumer spending data from the 1960–61 survey of consumer expenditures became the basis for the standard.

In relating consumption, for a particular category of goods, to income, the income class containing the point of highest elasticity was defined as appropriate for detremining the quantities for the intermediate budget. This is the point at which the rate of increase of quantities purchased began to decline in relation to the rate of change in income.

Quantities for the lower and higher budgets were derived respectively from the income classes immediately below and above the class containing the point of maximum elasticity, or inflection point.

In addition to the items consumed directly by the family, the budget totals include allowances for other costs—gifts and contributions, life insurance, and occupational expenses.

Then, the taxes which a family would have to pay on that income earned to maintain the specified level of consumption were calculated.

These taxes include social security and local, State, and Federal personal income taxes.

The annual costs of the budgest for a four-person urban family, autumn 1972, were:

	Lower	Intermediate	Higher
Total consumption	$6,029	$9,013	$12,462
Total budget	7,386	11,446	16,558

The Bureau refrains from describing the budget levels by such adjectives as minimum, liberal, subsistence, necessary, modest, moderate, adequate, comfortable, luxury, ideal, et cetera. None of these terms is self-explanatory or objective. Their meaning is affected by changes over time in the conditions of living within a society, as well as by the experience and attitudes of the individual using the term.

Accordingly, we describe the budget levels only as lower, intermediate, or higher, and the significance of the levels can be determined only by examining the detailed lists of goods and services which were used to determine the budget costs.

The Bureau recognizes that there are many varieties of social and welfare programs which require administrators to measure or determine a family's ability to pay for some or all of the components of family living. The appropriate income level must be, and in practice has been, chosen by the policymaking or administrative agency, since it will depend on such factors as specific program goals, available resources, legislative or administrative regulations, and the particular kinds of families the program is designed to serve. The Bureau makes an effort to keep users informed of the hypothetical nature of the budgets.

Despite our frequent qualifications and disclaimers, the dollar costs of the budgets are widely used, indicating a need for measures that would assist those who set goals or criteria for eligibility.

Recognizing the needs of users, the need for a review of budget concepts and the position of the Bureau as an objective statistical agency, the Bureau has proposed certain changes which are now under consideration. Until such time as changes are made, we will continue to update the existing budgets for price change by the CPI. However, for technical reasons, such updating cannot go on indefinitely.

In addition, the Bureau plans to expand its program of publishing and analyzing data on actual spending patterns for families of different sizes and types at different income and expenditure levels and for different regions. The first opportunity to do this will be when the 1972 and 1973 data from the Survey of Consumer Expenditures become available.

Thereafter we hope to initiate a continuing program of small-scale surveys of consumer expeditures, which will make it possible to have current information on dollar amount and spending patterns.

Thank you.

Mr. O'HARA. Thank you very much.

Ms. Orshansky?

STATEMENT OF MOLLIE ORSHANSKY, SENIOR SOCIAL SERVICE ANALYST, DIVISION OF SUPPLEMENTAL SECURITY STUDIES, OFFICE OF RESEARCH AND STATISTICS, SOCIAL SECURITY ADMINISTRATION

Ms. ORSHANSKY. In the short time that I had to respond to the committee's request, and not knowing just exactly what was required, I did not prepare a new statement which would have to be cleared. I have with me a 9-page statement which we prepared 3 or 4 years ago which describes, I think, fairly well the conceptual and administrative and procedural problems involved in making and using a poverty index.

For today I decided perhaps it would not be worth reading all that to you, but I do have with me the response to some questions which we were asked at the end of last year by Senator Church's Special Committee on Aging which I think will tell you what the measure of poverty is that we used and also give a very brief comparison of the differences between that and the Bureau of Labor Statistics measure.

Mr. O'HARA. Without objection, the 9-page statement which you referred to will be entered in the record.

[The statement referred to follows:]

COUNTING THE POOR*

The poverty definition in use today was developed by the Social Security Administration as part of its ongoing research program. It is an attempt to specify in dollar terms a minimal level of income adequacy for families of different types in keeping with American consumption patterns. It was developed from analysis of the percent of income devoted to food expenditures by United States families and the lowest outlay at which it is estimated an American housewife

*Prepared by Miss Mollie Orshansky, Division of Economic and Long-Range Studies, Office of Research and Statistics, Social Security Administration, August 1969.

making average choices can hope to provide her family with a diet meeting recommended nutritional goals.

This note explains briefly how the SSA poverty measure is defined and some of the history of its development as a widely used index. The primary emphasis, however, is upon the conceptual problems involved in measures of this type. The latest data on the number of poor persons in the U.S. are given in the attached reprints.[1]

The Reference Yardstick

Can poverty be measured/ How do we know? By what standard do we determine just how many and who are the poor?

There is not and there cannot be a uniform standard by which it can be stated unequivocally who is poor and who is not. Moreover, the means by which one may arrive at a rigorous determination of need for a specific family in a particular situation are not available for assessing economic well-being in the aggregate. Almost inevitably, lacking a case-by-case approach, a criterion applied across the board will fail to identify as poor some who are, or count as poor others who, all things considered, are, in fact, not needy. But if it is not possible to say without reservation how much is enough, it ought to be possible to say how much, on an average, is almost surely too little. Even more important than the level at which we peg the concept of too little—particularly if the findings are to relate to public action—is the proviso that the measure used depict at least roughly an equivalent degree of need or relative adequacy for households of different size and composition.

The SSA poverty measures—or poverty income cutoffs—reflect differing consumption requirements of families based on the number of adults and the number of children—and whether or not they live on a farm. The calculations center around the U.S. Department of Agriculture's Food Plans which specify the amounts and kinds of foods that would add up to an adequate diet at different levels of cost, and the additional income needed to purchase the necessities other than food. These measures were devised as an overall statistical yardstick. They were not designed to spell out the needs of individual families, each in its special setting.

In determining the proportion of total family income that should be consumed by food requirements, the SSA observed that the percentage of income expended for necessities, in particular food, reflects well-being of both individuals and the society in which they live. In general, families that need to use about the same proportion of their income for a given level of food expenditure are considered to share the same level of living. For families of three or more persons the poverty level was set at three times the cost of the economy food plan. This was the average food cost-to-family income relationship reported by the Department of Agriculture on the basis of a 1955 survey of food consumption.[2] For smaller families and persons residing alone, the cost of the economy food plan was multiplied by factors that were slightly larger to compensate for the relatively higher fixed expenses of these smaller households. The SSA poverty cutoffs also took account of differences in the cost of living between farm and nonfarm families.

The detailed criteria used for the poverty statistics specify thresholds of need in terms of the sex of the head, the number of children under 18 and the number of persons present in the home, and whether or not the household lives on a farm. Poverty thresholds were set separately for 124 different types of families, although only a summary table of average thresholds for each family size through 7 or more is published.

Originally the SSA criteria were stated in terms of 1963 income and prices. Subsequently, adjusted only for price change, they have been extended forward through 1967 and backward to 1959— the earliest year for which Census data tapes were available in the necessary detail. The per capita cost of the Food Plan was taken as the index of price change. In 1963 the Economy Food Plan priced out at $4.60 a week per person in an average 4-person nonfarm family, assuming all food purchased and prepared at home. In 1967 the Economy Food Plan priced out at $4.90 a week per person in a 4-person family.

The estimate of numbers of poor are based on these working procedures for

---

[1] For a detailed discussion of the SSA poverty standards, see (attached) "Revision in Poverty Statistics, 1959 to 1968," *Current Population Report*, Series P-23, No. 28, August 12, 1969 and Mollie Orshansky, "Who's Who Among the Poor: A Demographic View of Poverty," *Social Security Bulletin*, July 1965.

[2] See U.S. Department of Agriculture, *Food Consumption and Dietary Levels of Households in the United States* (ARS 626), August 1957.

defining average minimum income required by different types of households. From the Census Bureau, which collects income each year from a representative sample of U.S. households as part of their Current Population Survey, special tabulations were purchased to classify and describe households that fell below the critical income thresholds.

The Social Security Administration actually developed two measures centering around the two least expensive food plans of the Agriculture Department—the Low-Cost Plan long used by Social Welfare Agencies as a guideline, and a lower one, the Economy Plan designated for emergency use or when funds were very low. These low-income criteria designated near poor and poor respectively were first issued in January 1965. Early in that year the Office of Economic Opportunity adopted the lower of the two measures as a working tool for program planning purposes, and the Council of Economic Advisers and other government agencies have used it since that date to delineate the scope of the Nation's poverty problem and the extent to which it is being diminished. When used this way the measure is often referred to as the "poverty line" or the "SSA poverty index."

APPLYING THE POVERTY LINE

Although designed primarily as a statistical tool for general appraisal they have been used as guidelines to eligibility for antipoverty and related programs. It is becoming apparent that the distinction between a crude standard acceptable for overall assessment and the more refined complex of guidelines needed for program administration is conceptually valid but difficult to enforce.

The Office of Economic Opportunity, the Council of Economic Advisers, the Census Bureau, the Office of Tax Analysis and many other government agencies besides the Social Security Administration have used the same poverty criteria and the related poverty statistics in planning and budgeting, but there has been no requirement that they do so. However, the Bureau of the Budget, acting on the advice of a Federal Interagency Committee has recently designated the SSA index with two modifications as the base for all official poverty statistics (see the Census release attached).

THE POVERTY CRITERIA REVISED

The two modifications incorporated into the index relate to the manner of adjusting for price change and to the difference in income needed by farm as opposed to nonfarm households.

(a) Change in the Cost of Living Adjustment

The quantities of broad food groups in the Economy Food Plan that forms the core of the poverty index have been selected to conform to recommended nutritional goals, but the actual foods selected for pricing in each group represent average choices of low-income families as reported in a 1955 Survey. Accordingly the poverty thresholds had been adjusted each year for changes in the average per capita cost of the foods in the Economy Plan. Late in 1968 the SSA proposed to change this procedure and to base the adjustment for future years on changes in the total CPI. The Committee agreed and decided that the basic series should be revised for past years as well.

As the SSA pointed out, the food plan price changes during the 1960's did not conform to the overall rise in cost of living as reflected by the Consumer Price Index. For example the CPI went up by 13.7 percent between 1959 and 1966, while the Economy Plan cost increased by only 7.9 percent for an average family. Although the CPI is not necessarily the best measure of the changing market conditions faced by poor families, it does reflect the fact that prices of food and nonfood commodities do not always advance at the same rate. Employing the CPI to adjust the poverty thresholds annually had another advantage over the earlier adjustment technique. Although the USDA reprices the Economy Plan annually, the data are not published regularly but are available only on request. The CPI on the other hand, is regularly published every month.

(b) Farm-Nonfarm Relationship

The SSA poverty cutoffs took account of differences in the expenditures patterns between nonfarm families and farm families. The latter typically obtain their housing and some of their food as part of the business operation. According the poverty cutoffs for farm families were established at 70 percent of the nonfarm levels. This judgment reflected the fact that a 1955 Food Survey reported that farm families—like nonfarm—averaged a third of their cash

income for the food they bought; and that data for 1961 showed that in dollar terms 30 percent of the food farm families used came from the home farm.

Determining the appropriate measure of income needed by farm and nonfarm families at an equivalent level of living is difficult. Surveys conducted from time to time by the Department of Agriculture indicate that farm families continue to raise a significant proportion of their own food, permitting them to maintain the same diet while requiring less money income than nonfarm families. In making their home on the farm they operate, farm families are relieved of some direct outlays for items other than food—they rent or buy the farm dwelling along with the farm land. Similarly costs for electricity and other utilities used in the home will be difficult to separate from those incurred in running the farm. The income reported to the Census Bureau for farm families may thus be understated to a greater degree than for nonfarm families most of whom are not entrepreneurs.[3]

Further analyses are needed on the differentials in minimum income need appropriate for families deriving part of their livelihood from farming, and for families who can rely on varying amounts of community services. It is not yet possible to quantify all the differentials, but work already completed suggests an upward adjustment in the average farm family requirement relative to the nonfarm to a figure closer to 80 percent than to 70 percent. More refined analysis is likely to raise the ratio even higher. Because revisions in the poverty definition are relatively infrequent, the Review Committee agreed that the USDA recommendation of 85 percent be effected now.

LIMITATIONS OF A POVERTY INDEX

The utility of poverty statistics is affected by the design of the poverty measure.

Like any other level-of-living indicator, poverty can exist only in a frame of reference. It must be localized in place and in time. Indeed, beyond the physiologic exigencies of food, water, and warmth—and here in the United States we are well beyond them—it can have little meaning without contrast. To be poor implies to be without those things or those opportunities considered essential in a given society. More bluntly, to be poor is to feel deprived of those goods and services and pleasures which others around you take for granted as a right. There is, in short, no perfect measure nor any that is value-free.

Much has been said about the limitations of the poverty index—or what might be called the poverty of the poverty line. It refers only to current income and seems to imply a weakness in that it ignores assets and other money receipts. It itemizes no list of goods and services other than food. It concentrates on the income-food relationship although for urban families, particularly those handicapped not only by lack of money but by minority status and large families, the cost of housing may be critical. (It is easier to forego breakfast regularly than to do without a decent place to live.) The index makes no adjustment for income in kind except from farming. But in a money economy housing, food, or even medical care furnished free are not always ready substitutes for cash. To some its failure is that it ignores year-to-year changes in income. And, to others, it is suspect because it ignores nonmonetary satisfactions and the multiple ills afflicting the poor in addition to income insufficiency.

On the other hand, if money alone will not solve the problems of poverty it is still true that without it nothing else will avail much either. Logically it falls in the category of necessary but not sufficient conditions. Thus, the index is arbitrary both because it relies on income alone and because of the amount of income it postulates. But income statistics are the only ones currently available on a regular basis, and in the analysis what more objective measure can there be?

It is true that the measure ignores assets. Yet in the only income data available on a regular basis, namely those collected by the Census Bureau from the Current Population Survey Samples, assets do not appear. Moreover, save among the aged, we find few poor households with substantial assets. In any case it is difficult to devise a satisfactory method of incorporating them in a definition.

We know too little about the effect of income changes on consumption. Farm and other entrepreneurial families, perhaps more than others, are subject to the hazards of paper poverty because they may use income in one year to enhance their business position and improve income prospects for the future. The volun-

[3] See *Social Security Bulletin*, July 1965, p. 9.

tary poverty assumed by the graduate student completing his education is a familiar phenomenon. But while we speculate on those who are only temporarily poor, we might give a moment to those who are only momentarily not so: in many households temporary interruption in earnings because of unemployment or other reasons prevents planning and inhibits needed consumption, even though in retrospect total income for the year is above the poverty line. Irregularity of income and uncertainty as to its amount may be as much of a hazard to economic and social well-being as low income alone.

As for nonmoney income, the bulk of all nonmoney transfers—if one includes not only free medical care and food stamps but also fringe benefits to workers, health insurance premiums, expense accounts, vacation allowances, stock options, free or reduced tuition, commodity discounts, and the like—may well, like many of the income tax exemptions, go mainly to the nonpoor. The full effect of properly incorporating these into the income distribution might be to skew it even more than now with a resultant upping of the poverty line.

There are generally accepted standards of adequacy other than for food, and even for food, science has been tempered with judgment. One is hard put in evaluating expenditure patterns to determine which actions represent consciously made free choices and which merely reflect the long-term constraint of insufficient funds, not only within a family but in the community.

At first glance the value of consumption suggests itself as superior to income as a measure of poverty status. The point is, of course, that income standards are presumed to be measures of consumption potential. Shifting to consumption rather than income as the reference unit does not eliminate the problems of measurement and definition, but merely exchanges new ones for old. Current data on consumer expenditures supply estimates of total purchase commitments rather than cash outlays during the year. Our household expenditure survey schedules have not yet accepted the buy now-pay later dictum as a way of life.

We still face the question how to value goods received without direct outlay. Will it be a retail value (assuming the family knows it), even though very often the items do not replace any the family actually buys? Or, rather, as in the case of a farm or other business, should goods used by the family be valued at the income foregone—namely the price they could be sold for? How can we allow for the lack of substitutability or inhibition of free choice? Again, is it sensible to rank as equivalent in consumption the outlays for catastrophic illness—which may involve large amounts of free care or drawing down of assets—with the enjoyment of discretionary spending? Should the value of an owned home be set as a fair return for investment or at the saving, if any, over what a neighbor in similar circumstances pays for rent?

There are some additional problems. Unless care is taken some poor persons are not counted. Estimates of poverty and low income are based on the Current Population Survey sample. As such they exclude persons in institutions, many of whom are among the poorest. They also measure poverty on the basis of the total income of all related persons living together. Thus, for example, a widow who lives with her daughter because she does not have sufficient income to live alone will nevertheless not be counted as poor unless the total income is inadequate for the group. Similarly some mother-child families who share quarters with relatives do not appear in the count of those living in poverty even though they could not get along their own. The number of such "hidden poor" is significant, particularly among the aged. Because people in our society value highly the opportunity for independent living, it is useful to measure poverty on the basis of the income of the immediate family—an individual, a couple, or a couple and their children. But living arrangements change as economic conditions change and sometimes an increase in income may induce a person to choose the privacy of poverty over the economic security of collective living.

It might be argued, too, that poverty indicators should reflect regional cost-of-living differentials. However, recent studies of the BLS show that at the property level geographic differences in living costs would not be significant. It may well be however, that differences in availability of transportation, recreation, health and other services in different types of community could be an important factor in how well families can manage on a small income. An ideal framework would adjust the poverty for changes to the level of economic activity and for rising standards of living enjoyed by those who work. In this connection our knowledge of how consumers, poor or otherwise, adjust to rising prices and how they trade one category of family living for another is very limited.

SUMMARY

Conceptually there are many procedures for determining the amounts of income that will provide an equivalent level of living for families of different size and composition. The Social Security Administration methodology applies the age-sex scaling of nutritional needs to other family living, and adds the unproved assertion that all expenditures can be cut below average to the same degree as food expenditures and still remain adequate. Despite these limitations, any poverty index which adjusts in some measure for family size will yield a reasonable ordering of population groups by degree of vulnerability. Thus the direction of differences among the groups and their relative orders of magnitude can be meaningful even if the absolute counts are subject to the limitations discussed above. Such counts and relationships help to pinpoint action areas and evaluate progress. They illumine the special problems of disadvantaged areas, such as the South or the city slums. They also help us to visualize the difficulties of minority groups, however, in sharing the benefits of economic growth.

Ms. ORSHANSKY. The shorter statement, I think, is more up to date and probably could serve the needs.

We were asked to describe and compare the census poverty measures, the Social Security Administration poverty measures, and the Bureau of Labor Statistics budget. The primary concern of Senator Church's committee was with the aged.

I will use the parts which apply to the general population.

The present poverty level as published by the Census Bureau is merely an extension of the definition developed by the Social Security Administration some years ago as part of its ongoing research program.

Originally published early in 1965 to apply to 1963 income it was a tool to make it possible to evaluate the relative economic well-being of diverse segments of our population. I should emphasize here what is in the longer statement. We have tried from the beginning to indicate that this is an average measure. It need not necessary describe for an individual family in its own particular setting all of the individual nuances of need for that unit.

In more colloquial terms, the poverty level was an attempt to specify in dollar terms the minimum level of income need for families of different types that would be in keeping with American consumption patterns.

It was developed by the Social Security Administration, by applying to the economy food budget of the Department of Agriculture, the average percent of income devoted to food expenditures by U.S. families. The economy food budget costing 75 to 80 percent as much as the better known basic low-cost food plan, is the smallest outlay with which an American housewife with average skill and making average choices could hope to provide her family with a diet meeting recommended nutritional goals.

At the time the index was developed, the latest consumption pattern models available were from an Agriculture Department 1955 food consumption survey and from the 1960–61 expenditure survey conducted jointly by the Department of Labor and Agriculture. These studies suggested that the food expenditures of average families of three or more represented about one-third of their money income after taxes.

A slightly different relationship, about 27 percent, was appropriate for families of two with their relatively larger fiixed overhead costs. Because people living alone have even higher fixed costs and in the

absence of reliable data on how high these costs actually are, the benchmark for a single individual was set at 80 percent of the total amount designated for a couple.

The studies indicated also that the Agriculture Department economy food plan represented a level of expenditure at which an average housewife had about an even chance of providing a fair or better diet for her family, but really only one chance in 10 of providing a good diet.

Accordingly, the economy plan was adopted by the Social Security Administration as the core of its measure of minimum adequate income or what we now call the poverty line.

In fact, we developed two benchmarks. One for the poor and one for the near poor, centering about the low-cost plan. The near-poor level is a higher figure, but only the poverty line received general acceptance. When originally developed, the near-poor measure represented a level one-third above the poverty line.

As the Agriculture Department now constructs its food plans, the economy plan is set at 80 percent of the low-cost food plan and so the near-poor level would be a fourth higher than the poor, and is now commonly taken as such even though the base year calculations were based on earlier relationships.

So then in 1963, the base year on these premises the poverty line for a two-person, nonaged, nonfarm family, averaged out at about $2,050; and for four persons at about $3,130 for the year. This index came into wide use in Government agencies on an ad hoc basis, adjusted only by food plan price change forward year by year and backward to 1959, the earliest date for which Census Bureau data were still available in the necessary detail.

In combination with the Census income samples, the index as developed provides a thumbnail sketch of the number and types of housenolds falling below minimum adequate income for their size and composition and shows also the changes in the number and composition of this poverty population year by year.

By 1969, on the advice of a Federal interagency committee, established by the then Bureau of the Budget, the price adjustment factor for the index was changed to the all-items Consumer Price Index published by the Bureau of Labor Statistics and the farm, nonfarm income differential of need was narrowed.

With a 36.6 percent rise in the consumer price index between the base year of 1963 and 1972, the average poverty line as published now stands at about $2,810 for a young, nonfarm couple, and $4,274 for a four-person family for the year 1972.

Assuming, I don't want to preempt Mrs. Jacobs' area, but assuming that there will be a 5- to 7-percent rise in consumer prices as an average between 1972 and 1973—we have already had a 5-percent rise through September—we may estimate that when the 1973 poverty lines are available next year, the figures quoted will more appropriately lie closer to $3,000 for two persons, and $4,545 for a four-person family. You may know that by direction of the Bureau of the Budget in Budget Circular Number A–46, transmittal memorandum No. 9, August 29, 1969, the 1963 Social Security Administration base year poverty index adjusted annually only for price change reflected in the consumer price index—and with the smaller farme, nonfarm dif-

ferential—is the official figure for use by Government agencies in budgeting and planning.

At the saem time, the Sensus Bureau as the collector and distributor of statistics on U.S. family income, was assigned the responsibility for counting and publishing once a year data on the characteristics of the poor. These then constitute the official Government statistics on poverty. Advanced data for the year 1972 were published in July of this year and the final report should be available, I believe, by December. Because income data for the calendar year 1973 will not be collected by the Census until March 1974, it will be some time before official poverty statistics for that year and the accompanying poverty income criteria are published.

Beginning with the 1971 release for the year 1970, the Census Bureau has substituted the term "low income" for the term "poverty," which the Social Security Administration has continued to use.

There is an important difference between the Census Bureau use of the numbers and the Social Security Administration, which relates mainly to how you treat aged persons sharing a home with relatives which I will skip here.

You might ask for some indication of how the current poverty measures differ from the Bureau of Labor Statistics budgets. They differ in concepts and they differ in procedures.

First, the concepts: The poverty level is not, of course, a subsistence level. In America we would not tolerate only a subsistence level even for our poorest as a matter of public policy.

But it is the lowest income at which data indicate a family could have a chance of still feeling it belonged in America. The poverty line for a four-person family happens to come out reasonably close to the earnings that a person employed year-round full time at the current minimum wage might expect.

For aged persons, as an example, who as a group cannot rely on earnings as their major source of support, there is no such neat comparison.

As to the procedures, there are differences also in methods between the derivation of the SSA poverty line and the Bureau of Labor Statistics budgets. In the Social Security Administration, in the absence of conventional standards, we elected to make as few judgmental decisions in determining the poverty level as possible. Basically we made only two:

We settled first on what the pattern of food consumption for a particular type family associated with a minimum adequate level should be, and what amount in dollars that would require, using the Department of Agriculture food plan costs.

And second, how much total money it would take to make such food expenditures feasible.

All other things were left unspecified. We did not, and we do not know how families with that income or less must assign their funds, what they can buy, and what they must do without.

The Bureau of Labor Statistics, on the other hand, with more complex procedures arrived at estimates for individual items and categories of family living and built up the totals from these estimates.

In comparing or choosing among the two measures, we feel it is not so much which is better or which is more reasonable. It is the basic

purpose one wishes the level to serve and the number of persons or families it would delineate as a target group falling below it. How does that profile relate to the costs, standards, and philosophies implied in any program which makes reference to the criteria of adequacy?

I will be glad to answer any questions on this that you ask.

Mr. O'HARA. You made a very observant statement. You said which standard you use depends on how many families you want to have fall below or above it. Your second to the last sentence.

Ms. ORSHANSKY. I think that is true, Representative O'Hara.

There is also another part to that which one can easily document. It is not just the number that will differ as you move from a lower to a higher level of adequacy or eligibility for some program. The composition of the group will differ also. And to me and to my agency that happens to be very important.

Mr. O'HARA. Right.

Ms. ORSHANSKY. Income distribution for the United States is not the same as the income distribution for aged families, for working families, for white families, for families headed by a woman. They all seem to have different patterns, so that in general rules, if I may compress an awful lot of work into a single sentence, the higher the level of eligibility or income that you accept, the more like a general cross section of the population the group you identify will be. The lower the criterion you accept, the more you will have a group which shows up minorities or disadvantaged groups. The lower the level, the more aged families you will pick out, the more large families you will pick out, the more families headed by a woman, the more families headed by a black person, or the more families headed by a white man who works at a low paying wage you will identify.

You have already got, if I again may be colloquial, so many of those in the selected group when you use a low-income criterion that raising the criterion doesn't bring in very many more.

What you then do is add in some of the marginal people from the better-off groups, the higher-paid workers, the two-earner families and groups like that. For various purposes and various philosophies, one might choose to pinpoint different groups.

Furthermore because of the difference in earnings and income patterns in different parts of the country, you might be giving more representation to disadavantaged families, say, in the low-income South, if you use a lower criterion than you do a higher one.

Mr. O'HARA. This poverty level that you have talked about, is that the same thing that the Office of Education calls the "weighted average threshold," is that the low income level?

Ms. ORSHANSKY. They are pretty much the same. I believe that the Office of Education, if I recall the statement in the Federal Register correctly, used average thresholds published for 1971, because at the time they did this, the 1972 release was not yet out. And to these they applied a 4 percent price increase to estimate the 1972 poverty levels.

I think the actual average price rise was something like 3.3 percent. Anyway, it was pretty close. One difference is that our poverty threshold as published only goes up to seven-or-more person families. And if you want detailed cut-offs for families of 7, 8, 9, 10, 11, and 12, you have to do some adjusting or interpolation.

We in SSA do have some, interpolated estimates we use for families of larger sizes. The Office of Education had used a flat increment amount. I believe the Office of Economic Opportunity which uses the same guidelines, rounded them off differently.

But basically in concept at whatever point in time these family offsets actually go in use, it is my understanding from what I read that the Office of Education would be using the same thing which is called the SSA poverty line, or the Census Bureau poverty line, or whatever you want to call them.

Mr. O'HARA. Ms. Jacobs, could you assist the committee by making some observations as to what you think the significance is between the differences in this weighted average threshold at the low-income level and what, under your program, is the low-living standard figure?

Ms. JACOBS. Well, of course, one of the important distinctions is that our family has an employed head, and is in no way intended to be poverty, minimum, or subsistence.

Some of the descriptions which I read, five-room house, adequate plumbing, obviously by themselves reflect the fact that these are not minimum types of actual living. And the employment of the head in itself would raise the level of the budget. In here are not only social security and personal income taxes, but in the medical care, for example, there are, as I explained, insurance purchased through the place of work.

Of course, there is food away from home, lunches and things like that, and transportation. It is designed more to be a working man's family living. Not as it actually is, but to meet those criteria which we have set forth in the budgets.

Another important distinction, as Mollie pointed out, is that we use the low-cost food plan and they use the economy food plan. And the economy food plan is 80 percent of the low-cost food plan. So that it is just two diffefent kettles of fish.

We have made estimates in the past, you could go through and try to take out those items that are involved with the husband's employment. And I guess you could adjust for the food plan by taking 20 percent off food costs here, which would be a very crude way of adjusting for the economy food plan. But the important thing to realize is that as income rises, the proportion of food spent by families goes down, not the level, but the proportion goes down.

Therefore, if you get to higher-income levels, you have more other purchases, whereas in the poverty level, they take this food plan and multiply it by three.

At higher income levels, the food consumption is probably lower, is lower than a third.

Mr. O'HARA. I see that Mr. Peter Voigt of the Office of Education is in the room.

Mr. Voigt, would you mind taking a place at the witness table?

Mr. Voigt, the statute, as I remember it, provides for a calculation of the amount that could reasonably be expected a family can produce. Is that the term?

Mr. VOIGT. That is the term, yes, sir.

Mr. DELLENBACK. The amount which the family of that student may be reasonably expected to contribute, the language of the statute.

Mr. O'HARA. Given the nature of the index you use, which Ms. Or-

shansky has described, do you—tell us how you arrived at the decision that in determining the reasonably expected family contribution you ought to use that index, rather than the index used by the College Entrance Board or even the index used by the act?

Mr. VOIGT. Yes. We, of course, in developing the family contribution schedules, approached it in a little different way. That is we ended up looking first at roughly the kinds of results that we would like to get out of this system. Ideally when you develop a system like that initially, there is a good bit of guesswork involved. But ideally we wanted to come as close to the results as the services are providing in terms of family contribution as we could.

Obviously there have to be some differences because of the nature of the program. For example, the services include in the final expected family contribution a certain figure for student summer earnings. We, because of the nature of this program, could not include that. So even though the expected family contribution may be somewhat different, when you include that $400 on the average student summer earning that we do not include, and the services do, then our results are roughly the same.

We then looked at the various measures for family size or family expense allowances. And since by and large Government does use the social security measures for its programs, we settled on that.

We then, on that basis, again looking at the overall results that we wanted to achieve, determined our expectation rates from the remaining income after you have taken off the offsets, and really determined our expectation rates.

In other words, if we would use a higher family offset, we would, in order to achieve the same results, would probably have to use a higher expectation rate from discretionary income.

Mr. O'HARA. And the result that you wanted to achieve was one that would bring you more or less in line with the ultimate outcome of the needs analysis outcome under the systems?

Mr. VOIGT. Yes, sir.

Mr. O'HARA. The statute made no allowance for deducting student earnings, so in order——

Mr. VOIGT. Right. This is a program that is to be nationally assisted. If we included a figure for the summer earnings to be expected for every student, we would, I think, in many cases, particularly with the kinds of students that the program is focused on, be working a hardship on those students because many of those students have found it very difficult to get a summer job, to earn money.

So we felt that we had to exclude it in order to make that more equitable a system.

Mr. O'HARA. Well, if you look—see, what bothers me about the whole thing, among other things, is that if you look at the statute, the statute is rather explicit. No basic grant under this subpart shall exceed the difference between the expected family contribution for a student and the actual cost of attendance.

The statute is quite specific in determining, in setting forth how you are going to arrive at who is eligible for a basic grant.

Then it says if there is a shortfall of appropriations, you reduce the grants ratably, depending on the size of the appropriation.

But, in effect, what the administration, what the OE has done, is

by in effect varying, picking a standard-of-living figure that figured in the expected family contribution, is to reduce the eligible population below what it otherwise would have been.

Now I am sure you have done that for what seemed to you to be perfectly good reasons, and in doing so, I am sure have made it more consistent with the results that would have been obtained by using the system now used by CEEB or the results obtained by using the system now used by ACT.

But I don't think the statute said that you should do that. I think you made the judgment you ought to do it that way for budgeting reasons. I know administrators are smarter than legislators, but that wasn't the way the Founding Fathers had it dreamed up, you know; that the administrators were in a position to correct the legislators.

Mr. VOIGT. No, and I don't think that was our intent, to do that. I think, you know, we did really intend to achieve—the final determiner of eligibility is really the level of family contribution. And by and large we intended to achieve and develop a system that came fairly close to the systems currently in use which were roughly the standard that we and everyone else is working toward and using.

Mr. O'HARA. But one of the reasons that you used the standard you did, that you used the Social Security Administration's standard on the weighted average threshold or whatever is the poverty minimum standard, rather than the BLS's low-income standard or middle standard, is because you couldn't use expected summer earnings.

The statute didn't really let you use expected student summer earnings. At least that's, I think, what you indicated. And I gather from what you said that if the statute had said that there ought to be an offset for expected student summer earnings that you might have used BLS's standard because you would have had to in order to arrive at roughly the same results that CEEB and ACT has.

I think I may have misspoken. I think we did not include the student summer earnings for a different reason. We tried to come up with the same results. We felt because of the population we were dealing with, unless we dealt with it individually, which had added complications of data-gathering, et cetera, we felt we couldn't include a factor for student summer earnings.

At the same time we wanted to come up with the same result as the services do. There are two ways of doing it: One, the way we did it, that is, using the social security standard and having a relatively low expectation rate from the income that remains after you subtract that living allowance; or, using the BLS standards and having a somewhat higher expectation rate from the remaining income to then get to the same results.

Mr. DELLENBACK. There is a difference, however, that occurs when you use those different formulas, isn't there?

Those families that fall within the spread between those two, that is doing it the way you did not do it using the BLS figures, would now be fully included.

For example, we have been given a set of comparable figures for comparison, and assuming these to be accurate, if you take any level using a four-member family, the Bureau of Census allowance was $4,300. The Bureau of Labor Statistics' allowance was $6,460. You say if you had used the Bureau of Labor Statistics' figure instead of the

Bureau of Census' figure, you would have gotten an expected higher contribution from those remaining dollars, and you would have ended up in roughly the same position.

Mr. VOIGT. Roughly.

Mr. DELLENBACK. But that's impossible for anyone who fell between the $4,300 and the $6,460 levels. It would mean that if someone were making $5,000 and you used a $4,300 figure, you could expect something from the differential of $700. But if you use the $6,460 allowance on an income of $5,000, you can't get anything from them.

Thus, you can change your percentages all you want in reference to those remaining dollars—to 100 percent—and you still don't cover them.

Mr. VOIGT. For those families, that is quite correct.

Mr. DELLENBACK. For the families which fall in the gap between these two allowance levels, it is very significant which set of figures you use. You can't say, well, we will do it this way or that way, and in either case end up with the same position. For the differential families, if I read the pattern correctly, it makes a very material difference.

Mr. VOIGT. You are quite correct. You would end up with a—well, as you indicated, expecting—by using the social security standards, expecting a contribution at a somewhat lower level. By using the BLS' standards, you would not start expecting a contribution from income until you get to a higher level. Your shape of the curve would change somewhat and that is another one of our objectives in terms of overall development of the system, is to have a curve that was roughly the same as what the services are using.

Mr. DELLENBACK. It seems to me that you have reasoned backwards in applying the statute, rather than reasoning forward from the way the statute was written. The statute contains a different way to handle inadequate funds.

We deliberately wrote into the statute the situation where if during any period of any fiscal year the funds available are insufficient to satisfy all entitlements, you then go into a series of percentages based on where you determine the allowances to be.

In other words, we tried by statute to take care of what we expected might well be the case; namely, there wouldn't be enough dollars. I am left with the feeling that maybe in administering the statute, you started with the conclusion that there would be enough dollars—which is an absolutely sound conclusion. Then you determined what you expected or wanted the impact to be, not, however, by applying our 75-, 70-, 65-, or 50-percent reductions which we wrote into the statute. You changed it by using different criteria to get into the standard, that is to get into eligibility determinations. And I am a little bit troubled by it because while the language of the statute says what the family of that student may reasonably be expected to contribute, as we look at individual cases, Mr. Voigt, we are left with the feeling that a family which has a certain income just cannot reasonably be expected to make that much contribution to the education of their child or children when you use the Bureau of Census' allowance figure.

Now, if you shift to the larger Bureau of Labor Statistics' allowance figures, it seems to me that you end up with something that is closer to actuality, namely the amount which the family may reasonably be expected to contribute.

If you do that, you would end up with much higher entitlements, and thus the total of entitlements would be considerably higher.

We would then find that we don't have enough dollars. Yet, instead of reasoning backwards, and saying, "Let's go back and change the allowances we plug in so we come closer to where we want to be," you then shift to what we wrote into the statute as to how you distribute the dollars which we make available.

Now I ask you for comment.

Mr. VOIGT. The end result, I think, may be that. I think in developing our family contribution determination system, we did not consciously try to take into account the possibility at that point that there would be insufficient funding. We tried to come up with what we felt, with the knowledge that we had, was a reasonable system for determining family contributions.

It is a matter, I think to some extent, a matter of judgment about really the question is where do you start, at what income level do you start expecting a contribution from income. And, you know, from the remaining income after the offset, also.

So, you know, we felt that a family—we are not expecting all of the discretionary income to be contributed to the education of the person. Quite obviously in any system, whether it is CSS or SETS, there are going to be circumstances in individual families, maybe living in high-cost areas, for example, that kind, that kind of contribution is burdensome, extremely burdensome or impossible.

But the intent was ont to try to sort of have a budget-derived family contribution system.

Mr. O'HARA. Ms. Orshansky, perhaps you want to avoid these kind of judgmental observations, but until this morning had it ever occurred to you that the poverty level budget that you had managed to put together represented the point at which families were able to start contributing to the college education of their children?

Ms. ORSHANSKY. I want to say two things: First of all, I think if I read these proposed regulations right, they don't contribute right away. Everybody knows we wanted to have a higher poverty level, and I still would prefer it. I would be sure that a family with less than the currently specified amount could not contribute. I make no judgment as to what is the best way to decide.

What I am always concerned about, both from personal recollection of what it means in a family with a large number of children and not very much money—to see that somebody can get an education, and from looking at the numbers, is to be sure that the poorest children, the ones who in all the programs we have never even tried to get into the schools, be assured that they could apply, that there would be enough money for them.

I don't care how you do it, but I want to make sure that somebody with less income than $5,000 or $4,000 knows at the outset that there is enough chance that they will get a reasonable amount of help that they will apply. We must face the fact that if they do earn any money, it's got to go back to the family, or they may be depriving some other younger brother or older sister from going to school.

I would like to have it layered. I am afraid I have gotten brainwashed by my own numbers and I always want to make sure that the worst-off kids get the first crack at funds.

31-508 O - 74 - 6

It is the only answer I can give you. I don't know how the Office of Education determined what they did, but I do know that if you raise the income level that you don't require contribution from the family for, probably more of the children in this intermediate group will apply. Then there will be less money for everybody, and then maybe the poorest children won't get any.

Mr. DELLENBACK. May I ask a question on that point as to dollars? Now I understand what you——

Ms. ORSHANSKY. And I am speaking only for myself.

Mr. DELLENBACK. I understand.

Here is an example of the kind of thing I was talking to Mr. Voigt about. Let's take a family of four with an income of $5,000. Under the Bureau of Census allowance figures, there would be a $4,300 offset and thus there would be a differential.

Now, Ms. Orshansky, you have said $4,300 is the subsistence level. Thinking practically, should this family of four make a contribution, if they have an income of $5,000, toward the college education of one child?

Ms. ORSHANSKY. I don't know the answer to that question.

Mr. DELLENBACK. It is very subjective.

Ms. ORSHANSKY. I am not sure enough of whether every family with four persons and over $4,300 would have to make a contribution.

Mr. DELLENBACK. Well, under the proposed regulations before us, that family would be expected to contribute $120 out of that differential of $700.

And, on the other hand, if you use the Bureau of Labor Statistics allowance, there would be a $6,460 offset, such that no contribution would be required. If you shift to a $6,000-income level for that family of four and use the $4,300 Bureau of Census allowance, they would be expected to contribute $291.

If you use the $6,460 BLS allowance figure, they would not be expected to contribute anything. It is that kind of example to which I was looking.

Now, it doesn't mean that the full eligibility should be made available. That decision is up to the Congress. Quite frankly, I am almost inclined to speak against the present situation that requires a family of four, earning $6,000 a year, to contribute $291.

Who is derelict in this? I and my colleagues are derelict for not appropriating the number of dollars that are necessary. And because the Congress has not made sufficient money available, students are getting only 70 or 65 or 50 percent of what we had hoped to provide for them.

I am sure neither Mr. O'Hara nor I is seeking to tear you apart. That is not the issue. We are discussing here together what it is that we are reaching for. I must confess that I am troubled at the psychological impact that we get when examples are given to us of young person after young person, or family after family, that says this is unrealistic. We cannot contribute $120 under the circumstances, and it is just wrong to hand them that figure as what we expect them to contribute.

Mr. VOIGT. You know, it is quite obviously, as you point out, really a matter of judgment.

Mr. DELLENBACK. Of course it is. The application of this is subjective all the way around.

May I say one more thing, Mr. O'Hara? Then I will have to go to another meeting.

I was particularly impressed to see that when we called for experts today to come to testify before us, two different divisions of the Government, in sending their best people, I assume, sent women instead of men to testify before us.

It is also rather interesting, Ms. Orshansky, to meet a household word. We have found the Orshansky formula—the focus of so much of our discussion—as we wrestled with ESEA that I didn't know whether this name was a figment of somebody's imagination, or a collection of letters that had been put together somehow to name a bureau. But I am glad to see it is a very real flesh and blood person.

Mr. O'HARA. Mr. Lehman?

Mr. LEHMAN. What percentage do you think, just off the top of your head, of American families can put one or more kids through college without some form of really meaningful sacrifice by that family?

Ms. ORSHANSKY. Are you asking me that?

Mr. LEHMAN. Yes; either one of you.

What I am trying to get at is that all American families sacrifice to send their kids to college in different ways, just about all of them. How many American families actually don't get themselves in a bind when one or more kids go to college?

Ms. ORSHANSKY. I almost hope no one does, because to me, children are the Nation's most precious resource. I like children better than people, and I think most families would try to do for their children what they thought was right.

Sometimes they are wrong. And even families if they had enough money to send a child to a class B college or a not so good college without sacrifice, I know they would try to work a little harder and cut a little more and get the child into a better one.

So it is just what do you have to sacrifice. At some point you are sacrificing food and clothing for other kids.

Mr. LEHMAN. Can I interrupt you just a second?

Ms. ORSHANSKY. Yes.

Mr. LEHMAN. If the wife goes back to work so that two kids can stay in college while maybe they have kids in junior high school or high school, that is a sacrifice.

Ms. ORSHANSKY. I am sure that it is. But what I wanted to say is that I would hope—this doesn't represent necessarily the view of my agency—I would hope that in choosing, for instance, the poverty line to use in this or other eligibility criteria, we would use an updated one, and the most relevant one we could find. Currently this would probably be closer to the near-poor than the poor level. But the other thing that I really must say to answer the question that you are implying, and that was asked, is that the appropriate question, isn't do we think a family above a particular level shouldn't get any aid.

I believe that what we are talking about is what is the amount which public policy and public concern dictates should be a Federal guarantee?

There are other funds which are available to people, either on loans or from private scholarships sources which are built on top of this basic grant. So we have the problem, where and how do you want to divide up the money.

I would feel a lot worse about some of these things if I thought this was all somebody could get. But it was my understanding that the other programs and the other sources of funds still would be available.

Mr. LEHMAN. Yes, I know. We used to rationalize our football program in the Dade County School System because basically that was the only way that so many kids could ever get to college. I don't like to see a program based on this kind of criteria where you say there are other means for kids to get to college. It makes it so darn tough that way.

But the only other thing is that I have reservations about your automobile statistics. I have sold, I guess, 30,000 or 40,000 used cars on credit before I came up here, and there just ain't no way to tell a family's ability to make car payments.

[Laughter.]

Ms. JACOBS. That is a sacrifice they are making, to buy a car. We don't say anything about their ability to pay anything for a car.

Mr. LEHMAN. The age of the car the family drives is based more on that family's ability to make their own repairs than on the wealth of the family. I think I have got to go to this other meeting, Mr. Chairman. I enjoy all these things and I just want to see the day when families are left out as the basis for getting grants in aid to go to college.

Mr. O'HARA. Mr. Voight, in the BEOG formula, as I recall your testimony from the previous hearing—one of the factors used in determining the expected family contribution is that when one member of the family, if the child is going away from school, when one member of the family departs the home and takes up attendance at the university, that that automatically makes the funds, the proportion of the family income that has been spent to that child available for continued expenditure on him now that he is away from home. Right?

Ms. JACOBS. I think it is the testing services that do that.

Ms. ORSHANSKY. Yes. This proposal doesn't do that. No.

Ms. JACOBS. The ACT and CEEB do that.

Mr. O'HARA. Yes.

Ms. ORSHANSKY. We leave the child's bed and board where it is.

Mr. VOIGT. We do not reduce the family size offset because a member of the family is off in school.

Mr. O'HARA. That's right, it is CEEB and ACT that do that.

The full committee is meeting. I have several amendments I am trying to offer to the bill they are marking up, which is one manpower. So I am going to have to adjourn the meeting, although I am sure that there are other members of this subcommittee who are now downstairs in the full committee meeting that would like very much to be able to talk to you.

I thank all of you for appearing here today, and I hope that we can call on you again if in our further deliberations it is necessary to do so.

Mr. Voigt, we know we will be seeing you.

Mr. VOIGT. Yes, I am looking forward to it.

Mr. O'HARA. Thank you very much.

The subcommittee will now stand in adjournment.

[Whereupon, at 10:30 a.m., the hearing was adjourned.]

APPENDIX A

The following are excerpts from Title IV of the Higher Education Act of 1965, as amended, which make reference to determination of student financial need. These excerpts are included in the record by the subcommittee to illustrate the variations among programs with respect to requirements for determination of student need.

HIGHER EDUCATION ACT OF 1965

Title IV—Student Assistance

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

SUBPART 1—BASIC EDUCATIONAL OPPORTUNITY GRANTS

Basic Educational Opportunity Grants; amount and determinations; applications

* * * * * * *

SEC. 411. (a) * * *

(3) (A) (i) Not later than February 1 of each year the Commissioner shall publish in the Federal Register a schedule of expected family contributions for the succeeding academic year for various levels of family income, which except as is otherwise provided in division (ii), together with any amendments thereto, shall become effective July 1 of that year. During the thirty-day period following such publication the Commissioner shall provide interested parties with an opportunity to present their views and make recommendations with respect to such schedule.

(ii) The schedule of expected family contributions required by division (i) for each academic year shall be submitted to the President of the Senate and the Speaker of the House of Representatives not later than February 1 of that year. If either the Senate or the House of Representatives adopts, prior to May 1 of such year, a resolution of disapproval of such schedule, the Commissioner shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. Such new schedule shall take into consideration such recommendations as may be made in connection with such resolution and shall become effective, together with any amendments thereto, on July 1 of that year.

(B) (i) For the purposes of this paragraph and subsection (b), the term "family contribution" with respect to any student means the amount which the family of that student may be reasonably expected to contribute toward his postsecondary education for the academic year for which the determination under subparagraph (A) of paragraph (2) is made, as determined in accordance with regulations. In promulgating such regulations, the Commissioner shall follow the basic criteria set forth in division (ii) of this subparagraph.

(ii) The basic criteria to be followed in promulgating regulations with respect to expected family contributions are as follows:

(I) The amount of the effective income of the student or the effective family income of the student's family.

(II) The number of dependents of the family of the student.

(III) The number of dependents of the student's family who are in attendance in a program of postsecondary education and for whom the family may be reasonably expected to contribute for their postsecondary education.

(IV) The amount of the assets of the student and those of the student's family.

(V) Any unusual expenses of the student or his family, such as unusual medical expenses, and those which may arise from a catastrophe.

(iii) For the purpose of clause (I) of division (ii), the term "effective family income" with respect to a student means the annual adjusted family income, as determined in accordance with regulations prescribed by the Commissioner, received by the parents or guardian of that student (or the person or persons having an equivalent relationship to such student) minus Federal income tax paid or payable with respect to such income.

(iv) In determining the expected family contribution with respect to any student, any amount paid under the Social Security Act to, or on account of, the student which would not be paid if he were not a student, and one-half any

amount paid the student under chapters 34 and 35 of title 38, United States Code, shall be considered as effective income for such student.

(C) The Commissioner shall promulgate special regulations for determining the expected family contribution and effective family income of a student who is determined (pursuant to regulations of the Commissioner) to be independent of his parents or guardians (or the person or persons having an equivalent relationship to such student). Such special regulations shall be consistent with the basic criteria set forth in division (ii) of subparagraph (B).

* * * * * * *

SUBPART 2—SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

* * * * * * *

Selection of Recipients; Agreements with Institutions

SEC. 413C. (a) (1) An individual shall be eligible for the award of a supplemental grant under this subpart by an institution of higher education which has made an agreement with the Commissioner pursuant to subsection (b), if the individual makes application at the time and in the manner prescribed by that institution, in accordance with regulations of the Commissioner.

SUBPART 3—GRANTS TO STATES FOR STATE STUDENT INCENTIVES

* * * * * * *

Applications for State Student Incentive Grant Programs

* * * * * * *

SEC. 415C. (b) From a State's allotment under this subpart for any fiscal year the Commissioner is authorized to make payments to such State for paying 50 per centum of the amount of student grants pursuant to a State program which—

(1) is administered by a single State agency;

(2) provides that such grants will be in amounts not in excess of $1,500 per academic year for attendance on a full-time basis as an undergraduate at an institution of higher education;

(3) provides for the selection of recipients of such grants on the basis of substantial financial need determined annually on the basis of criteria established by the State and approved by the Commissioner;

(4) provides for the payment of the non-Federal portion of such grants from funds supplied by such State which represent an additional expenditure for such year by such State for grants for students attending institutions of higher education over the amount expended by such State for such grants, if any, during the second fiscal year preceding the fiscal year in which such State initially received funds under this subpart; and

(5) provides (A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State agency under this subpart, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this subpart.

* * * * * * *

PART B—FEDERAL, STATE AND PRIVATE PROGRAMS OF LOW-INTEREST INSURED LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

* * * * * * *

Federal Payments to Reduce Student Interest Costs

SEC. 428. (a) (1) Each student who has received a loan for study at an eligible institution—

(A) which is insured by the Commissioner under this part;

(B) which was made under a State student loan program (meeting criteria prescribed by the Commissioner), and which was contracted for, and paid to the student, within the period specified by paragraph (4); or

(C) which is insured under a program of a State or of a nonprofit private institution or organization which was contracted for, and paid to the student, within the period specified in paragraph (4), and which—

(i) in the case of a loan insured prior to July 1, 1967, was made by an eligible lender and is insured under a program which meets the requirements of subparagraph (E) of subsection (b) (1) and provides

that repayment of such loan shall be in installments beginning not earlier than sixty days after the student ceases to pursue a course of study (as described in subparagraph (D) of subsection (b)(1)) at an eligible institution, or

(ii) in the case of a loan insured after June 30, 1967, is insured under a program covered by an agreement made pursuant to subsection (b),

shall be entitled to have paid on his behalf and for his account to the holder of the loan a portion of the interest on such loan (in accordance with paragraph (2) of this subsection) only if at the time of execution of the note or written agreement evidencing such loan his adjusted family income is—

(I) less than $15,000 and the eligible institution at which he has been accepted for enrollment or, in the case of a student who is attending such an institution, at which he is in good standing (as determined by such institution)—

(α) has determined the amount of need for such loan, by subtracting from the estimated cost of his attendance at such institution (which, for purposes of this paragraph, means the cost, for the period for which the loan is sought, of tuition, fees, room and board, and reasonable commuting costs) the expected family contribution with respect to such student plus any other resources or student aid reasonably available to such students, and

(β) has provided the lender with a statement evidencing the determination made under clause (1)(α) of this paragraph and recommendaing a loan in the amount of such need; or

(II) equal to or more than $15,000 and the eligible institution at which he has been accepted for enrollment or, in the case of a student who is attending such an institution, at which he is in good standing (as determined by such institution)—

(α) has determined that he is in need of a loan to attend such institution.

(β) has determined the amount of such need by subtracting from the estimated cost of attendance at such institution the expected family contribution with respect to such student plus any other resources or student aid reasonably available to such student, and

(γ) has provided the lender with a statement evidencing the determination made under clause (II)(β) of this paragraph and recommending a loan in the amount of such need.

In addition, the Commissioner shall pay an administrative cost allowance in the amount established by paragraph (2)(B) of this subsection with respect to loans to any student without regard to the borrower's need. For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreement evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Commissioner deems appropriate. In the absence of fraud by the lender, such determination of the need of a student under this paragraph shall be final insofar as it concerns the obligation of the Commissioner to pay the holder of a loan a portion of the interest on the loan.

* * * * * * *

PART C—WORK STUDY PROGRAMS

* * * * * * *

Conditions of Agreements

SEC. 444. (a) An agreement entered into pursuant to section 443 shall—* * *

* * * * * * *

(3) provide that in the selection of students for employment under such work study program preference shall be given to students with the greatest financial need, taking into account grant assistance provided such student from any public or private sources, and that employment under such work-study program shall be furnished only to a student who (A) is in need of the earnings from such employment in order to pursue a course of study at such institution (taking into consideration the actual cost of attendance at such institution), (B) shows evidence of academic or creative promise and capability of maintaining good standing in such course of study while employed under the program covered by the agreement, and (C) has been

accepted for enrollment as a student at the institution on at least a half-time basis or, in the case of a student already enrolled in and attending the institution, is in good standing and in attendance there on at least a half-time basis either as an undergraduate, graduate, or professional student;

* * * * * * *

PART E—DIRECT LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

* * * * * * *

Terms of loans

* * * * * * *

SEC. 464. (b) A loan from a student loan fund assisted under this part may be made only to a student who—

(1) is in need of the amount of the loan to pursue a course of study at such institution;

(2) is capable, in the opinion of the institution, of maintaining good standing in such course of study;

(3) has been accepted for enrollment as an undergraduate, graduate, or professional student in such institution, or, in the case of a student already in attendance at such institution, is in good standing; and

(4) is carrying at least one-half the normal academic workload, as determined by the institution.

In any case in which a student has been determined to be eligible for a loan under the preceding sentence, and such student thereafter fails to maintain good standing, the eligibility of such student shall, upon notice to the Commissioner, be suspended, and further payments to, or on behalf of, such student shall not be made until such student regains good standing.

(c)(1) Any agreement between an institution and a student for a loan from a student loan fund assisted under this part—

(A) shall be evidenced by note or other written instrument which, except as provided in paragraph (2), provides for repayment of the principal amount of the loan, together with interest thereon, in equal installments (or, if the borrower so requests, in graduated periodic installments determined in accordance with such schedules as may be approved by the Commissioner) payable quarterly, bimonthly, or monthly, at the option of the institution, over a period beginning nine months after the date on which the student ceases to carry, at an institution of higher education or a comparable institution outside the United States approved for this purpose by the Commissioner, at least one-half the normal fulltime academic workload, and ending ten years and nine months after such date;

(B) shall include provision for acceleration of repayment of the whole, or any part, of such loan, at the option of the borrower;

(C) may provide, at the option of the institution in accordance with regulations of the Commissioner, that during the repayment period of the loan, payments of principal and interest by the borrower with respect to all outstanding loans made to him from student loan funds assisted under this part shall be at a rate equal to not less than $30 per month;

(D) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at the rate of 3 per centum per annum, except that no interest shall accrue (i) prior to the beginning date of repayment determined under clause (A) (i) or (ii) during any period in which repayment is suspended by reason of paragraph (2);

(E) unless the borrower is a minor and the note or other evidence of obligation executed by him would not, under applicable law, create a binding obligation, shall provide that the loan shall be made without security and without endorsement;

(F) shall provide that no note or evidence of obligation may be assigned by the lender, except upon the transfer of the borrower to another institution participating under this part (or, if not so participating, is eligible to do so and is approved by the Commissioner for such purpose), to such institution; and

(G) may, pursuant to regulations of the Commissioner, provide for an assessment of a charge with respect to the loan for failure of the borrower (i) to pay all or part of an installment when it is due or (ii) to file timely and satisfactory evidence of an entitlement of the borrower to a deferment of repayment benefit or a cancellation benefit provided under this part.

* * * * * * *

APPENDIX B-1

BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

Application for Determination of Family Contribution for 1973-74 Academic Year

GENERAL INFORMATION

The Basic Educational Opportunity Grant Program is a Federal aid program designed to provide financial assistance to those who need it to attend post-high school educational institutions.

The maximum award you could receive under this program is $1,400 minus the amount you and your family are expected to contribute toward the cost of your education. (This amount is called your Family Contribution.) Your actual Grant, however, may be less than this maximum award. The amount of your Grant is based on your Family Contribution and two other factors: (1) the amount of funds actually available for the Program for the 1973-74 year; and (2) the cost of your education, since the Grant cannot exceed one-half that cost. The amount of the grant would decrease as the Family Contribution increases. In addition, since the minimum grant that can be awarded to an eligible student is $200, you would not receive a grant if your Family Contribution is more than $1,200.

You may be eligible for a grant if you meet three important criteria:

1. You plan to enroll for the **first time** in a post-high school program at an eligible college, university, vocational or technical school.
2. You will be attending school on a full-time basis.
3. You are a U.S. citizen or are in the United States for other than a temporary purpose and intend to become a resident.

NOTE: You are not eligible if you have attended a post-high school educational institution at any time before July 1, 1973.

You must also meet certain financial criteria to receive a Grant. Various financial information will be used to determine the amount of your Family Contribution. The main factor used to determine Family Contribution is family income. As a general guideline, if your family income in 1972 was $11,000 (for a family of four) or less, you may receive a Grant. Since other factors besides income are used to determine Family Contribution, you may still receive a Grant if your family income is greater than this amount. Among the factors that would reduce the amount your family would be expected to contribute are: family size of more than four persons, more than one member of the family enrolled in post-high school educational programs, both parents work, or unusually large emergency (medical, catastrophe) expenses in 1972. On the other hand, your expected Family Contribution might be increased if you receive Social Security or veterans educational benefits, or if your family has sizable assets. If you would like to make an estimate of your financial eligibility, a worksheet is included in this packet for that purpose.

SECTION B—PARENT (GUARDIAN) INFORMATION

1. Print the name of your parent, unless another person (guardian) provides, or has provided, more than half your support, in which case you would enter that person's name. If your parents are separated or divorced, enter the name of the parent who provides, or has provided, more than half your support. For example, if you live with your mother, yet your father provides more than half your support and claims you as a dependent on his Federal Income Tax Return, your father's name should be entered.

2-5. Enter the appropriate information concerning that parent (guardian) indicated above.

6. Enter the total size of your parents' (guardian's) household. Include yourself, parents (guardian), and children who are dependent on your parents (guardian) for more than half their support. Also include other persons who are related to your parents (guardian), or living with them and for whom they provide more than half their support.

7. Enter the number of persons listed in item B6 above who will be attending post-high school educational institutions during the 1973-74 academic year. Include only those who will be attending on at least a half-time basis.

SECTION C—*APPLICANT STATUS*

1. If you lived with your parent(s) or guardian, or plan to do so, during 1972, 1973, or 1974, check YES for the appropriate years. You would check YES if you lived at home for any period of more than two consecutive weeks during that year.

2. If you were or will be listed as an exemption on your parents' or guardian's Federal Income Tax Return for 1972, 1973, or 1974, check YES for the appropriate years.

3. If you received or expect to receive more than $600 in financial assistance from your parent(s) or guardian in 1972, 1973, or 1974, check YES for the appropriate years. Included under financial assistance are such items as room and board for periods you lived at home, clothes, medical and dental care, cash gifts, and cost of education. Estimate the value of such items in determining whether you received more than $600 in financial assistance from your parents.

IMPORTANT

If you checked YES for ***any question for any year*** in Section C, please complete ***only*** Section D, and sign. Instructions for Section D begin on this page.

If you checked NO for ***all*** years and ***all*** questions in Section C, please complete ***only*** Section E, and sign. Instructions for Section E begin on page 3.

SECTION D

Please complete items 1 through 18 together with your parents or guardian(s), since they must supply the needed information on income, expenses, and assets. If your parents are divorced or separated and filing separate returns, either (a) only the parent who provides more than half your support should furnish this information, or (b) if ***neither*** provides more than half your support, ***both*** should furnish the required information. Whenever the term "parent" is used, this means your mother, father, or any person (guardian), except spouse, who provides more than half your support and who claims or is eligible to claim you as an exemption for Federal Income Tax purposes.

NOTE: If your parents are residents of Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Trust Territories and they filed an Income Tax Return with that government in 1972, they should enter the information that corresponds to that requested in the items below.

If asked for amounts for items that do ***not*** apply to you or your parents, please enter zeroes for those items, except where directed otherwise. All figures should be entered in dollars; ***omit cents.***

Enter $320.18 this way:			3	2	0	.00
Enter $1,851.14 this way:		1	8	5	1	.00
Enter $10,972.77 this way:	1	0	9	7	2	.00

1. Check the appropriate box. If your parents did not have to file a Return for 1972, leave this item blank.

2. Enter the number reported on line 10 of Federal Income Tax Return form 1040, or line 10 of form 1040A. If your parents filed separately, enter the sum of their exemptions. If your parents did not have to file a Return for 1972, leave this item blank.

3. Enter the amount listed on line 17 of 1972 Federal Income Tax Return form 1040, or line 14 of form 1040A. If parents are married and filed separately, enter the sum of their Adjusted Gross Incomes. If your parents did not have to file a Return for 1972, enter a zero. If your parents have not filed a Return for 1972 but will do so, enter an estimate of their Adjusted Gross Income.

4. Enter that portion of item 3 that was earned through employment by: (a) father and (b) mother. Include only wages, salaries, and other income from employment that would be reported on a W-2 form. Do ***not*** include such income as alimony, dividends, or interest.

5. Enter the sum of the following types of other income your parent(s) received during 1972 (do not include any income already reported in item 3 above):

   a. All Social Security benefits except those received for education by either the applicant or other members of the household; report applicant's Social Security benefits for education only in item 15 of Section D.

   b. All veterans benefits except those received for education by either the applicant or other members of the household; report applicant's veterans benefits for education (G.I. Bill or War Orphans' and Widows' Education Assistance) only in item 16 of Section D.

   c. Welfare benefits—include amounts received through Aid to Families with Dependent Children and other similar programs.

   d. Child support received for all children.

   e. Other—include any other income received in 1972 that was not subject to Federal Income Tax. Examples of such income are: interest on tax-free municipal bonds, untaxed portions of pensions, untaxed portions of capital gains, military subsistence and quarters allowances.

   Do ***not*** include any amounts received through scholarships, student aid programs, or work-study programs.

6. Enter the amount of tax reported on line 20 of Federal Income Tax form 1040 or line 21 of form 1040A of Return(s) filed by

your parent(s) whose income was reported in Item D3 above. If they did not have to file a Return for 1972, enter a zero. If parents have not filed a Return for 1972, but will do so, enter an estimate of the tax to be paid. Do *not* copy tax withheld on W-2 form.

7. If your parents itemized their deductions on their 1972 Federal Income Tax Return, enter the sum of lines 2 and 6 from Schedule A, form 1040 (add the medical expenses of the applicant if not already included in the parents' Return). If your parents took a standard deduction or did not have to file a Return for 1972, enter the amount of their household's medical expenses from the following list (do not include the amount of medical and dental expenses covered by insurance):
   a. Payments for medicines, prescription drugs, and vaccines.
   b. Payments to hospitals, doctors, dentists, and nurses.
   c. Payments for false teeth, eyeglasses, medical and surgical aids.
   d. Payments for ambulance service and other travel costs necessary to get medical care.

8. If your parents itemized their deductions on their 1972 Federal Income Tax Return, enter the amount reported on line 30 of Schedule A (Form 1040). If your parents took a standard deduction or did not have to file a Return for 1972, determine the amount of each loss, not covered by insurance, due to theft or property lost or damaged by fire, storm, car accident, shipwrecks, etc. Subtract $100 from the amount of each loss. Total the net amount of each of these losses and enter this sum. If no losses occurred, enter a zero.

   NOTE: for a complete description of the expenses for Items 7 and 8, see Instructions for Form 1040 for Federal Income Tax Return.

9. a. Enter the estimated *present* market value of your parents home.
   b. Enter the amount of *present* unpaid mortgage or related debts on that home.

10. a. Enter the sum of the estimated present market value of other real estate your parents own (report farm and business only in Items 12 and 13 below) and the total market value of your parents' investments, including stocks, bonds, and other securities.
    b. Enter the sum of the amount of present unpaid mortgage or related debts on that real estate and the amount of debts against your parents' investments.

11. a. Enter the total value of consumer durables and personal assets that your parents own that are each valued at $500 or more. Included are such items as automobiles, boats, art objects, stereo equipment, televisions, jewelry, antiques, cameras, etc.
    b. Enter the total amount of debts against these items.

12,13.
    a. Enter the market value of your parents' business or farm (including value of buildings, machinery, etc.). Do not include home if it was listed in Item D9.
    b. Enter the amount of unpaid mortgage or related debts on the business or farm. If parents own *part* of a business (farm), enter only the value of their share of the business (farm), and only their share of unpaid mortgage. **Example:** If percent of ownership is 25%, market value is $20,000 and unpaid mortgage is $10,000, you would enter $5,000 for market value and $2,500 for unpaid mortgage.

14. Enter the appropriate amount.

APPLICANT:

15. a. Enter the amount of benefits *per month* you expect to receive between July 1, 1973 and June 30, 1974. Include only those Social Security benefits that you receive because you are or will be a student. If you do not know this amount, you may obtain this information from the Social Security Administration's District Office which services your claim.
    b. Enter the number of months you expect to receive Social Security educational benefits between July 1, 1973 and June 30, 1974.

16. a. Enter the amount of the benefits *per month* you expect to receive between July 1, 1973 and June 30, 1974, as part of the Veterans Educational Assistance—G.I. Bill Program. Also include the amount *per month* you expect to receive under the War Orphans' and Widows' Education Assistance Program. Include only those amounts that you receive because you are or will be a student.
    b. Enter the number of months you expect to receive veterans educational benefits between July 1, 1973 and June 30, 1974.

17. Enter your total *present* savings.

18. Enter the present net value of your other assets, including investments, real estate, inheritances, and trust funds. Do *not* include your automobile, stamp or coin collection, or other personal property.

Please check again to make sure every item has been completed, and that zeroes have been entered for those items that do not apply to you or your parents.

You and your parent(s) (guardian) should read the final statement carefully and sign in the appropriate places. Applications which are not signed will be returned.

SECTION E

Please complete Items 1 through 16 and sign the statement at the bottom. Items apply to *both* you and your spouse unless indicated otherwise or unless you are separated or divorced and you and your spouse filed separate Federal Income Tax Returns for 1972.

NOTE: If you are a resident of Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Trust Territories and filed an Income Tax Return with that government in 1972, you should enter the information that corresponds to that requested in the items below.

When asked for amounts for items that do *not* apply to you (or your spouse), please enter zeroes for those items, except when directed otherwise. All figures should be entered in dollars; **omit cents.**

Enter $320.18 this way:			3	2	0		.00
Enter $1,851.14 this way:		1	8	5	1		.00
Enter $10,972.77 this way:	1	0	9	7	2		.00

1. Check the appropriate box. If you did not have to file a Return for 1972, leave this item blank.

2. Enter the number reported on line 10 of Federal Income Tax Return form 1040 or line 10 of form 1040A. If neither you nor your spouse had to file a Return for 1972, leave this item blank.

3. Enter the amount reported on line 17 of 1972 Federal Income Tax Return form 1040, or line 14 of form 1040A. If you and your spouse filed separately, enter the *sum* of your Adjusted Gross Incomes. If neither you nor your spouse had to file a Return for 1972, enter a zero. If you have yet to file a Return for 1972 but plan to do so, enter an estimate of your Adjusted Gross Income. Do ***not*** include any income received as the result of employment provided by student aid programs.

4. Enter that portion of item 3 that was earned through employment by (a) applicant and (b) spouse. Include only wages, salaries, and other income from employment that would be reported on a W-2 form, *except* any income received as the result of employment provided by student aid programs. Do ***not*** include such income as alimony, dividends, or interest.

5. Enter the sum of the following types of income you or your spouse received during 1972 (do not include any income you reported in item 3):
   a. All Social Security benefits *except* those received for education by either you or other members of your household; report your Social Security educational benefits only in item 15 of Section E.
   b. All veterans benefits *except* those received for education by either you or other members of your household; report your veterans benefits for education (G.I. Bill or War Orphans' and Widows' Education Assistance) only in item 16 of Section E.
   c. Welfare benefits—include amounts received through Aid to Families with Dependent Children and other similar programs.
   d. Child support received.
   e. Other—include any other income received in 1972 that was not subject to Federal Income Tax. Examples of such income are: military subsistence and quarters allowances, untaxed portions of pensions, untaxed portions of capital gains, income from tax-free municipal bonds.

   Do ***not*** include any amounts received through scholarships, student aid programs, or work-study programs.

6. Enter the amount of tax reported on line 20 of Federal Income Tax Return form 1040 or line 21 of form 1040A. If you and your spouse filed separately, enter the *sum* of your Federal Income Taxes paid. If you and your spouse did not have to file a Return for 1972, enter a zero. If you have not filed a Return for 1972 but will do so, enter an estimate of the tax to be paid. Do ***not*** copy tax withheld on W-2 form.

7. If you and your spouse itemized your deductions on your 1972 Federal Income Tax Return, enter the sum of lines 2 and 6 from Schedule A (form 1040). If you and/or your spouse took a standard deduction or did not have to file a Return for 1972, enter the amount of your household's medical expenses from the following list (do not include the amount of medical and dental expenses covered by insurance):
   a. Payments for medicines, prescription drugs, and vaccines.
   b. Payments to hospitals, doctors, dentists, and nurses.
   c. Payments for false teeth, eyeglasses, medical and surgical aids.
   d. Payments for ambulance service and other travel costs necessary to get medical care.

8. If you and your spouse itemized your deductions on your 1972 Return, enter the amount reported on line 30, Schedule A (form 1040). If you and/or your spouse took a standard deduction or did not have to file a Return for 1972, determine the amount of each loss, not covered by insurance, due to theft or property lost or damaged by fire, storm, car accident, shipwrecks, etc. Subtract $100 from the amount of each loss. Total the net amount of each of these losses and enter the sum. If no losses occurred, enter a zero.

   NOTE: for a complete description of the expenses for items 7 and 8, see Instructions for Federal Income Tax Return form 1040.

9. a. Enter the estimated *present* market value of your home.
   b. Enter the amount of *present* unpaid mortgage or related debts on that home.

10. a. Enter the **sum** of the estimated present market value of other real estate you may own (report farm and business only in items 12 and 13 below) **and** the total market value of your investments, including stocks, bonds, and other securities.
    b. Enter the **sum** of the amount of present unpaid mortgage or related debts on that real estate **and** the amount of debts against your investments.

11. a. Enter the total value of consumer durables and personal assets that you own that are **each** valued at $500 or more. Included are such items as automobiles, boats, art objects, stereo equipment, televisions, jewelry, antiques, cameras, etc.
    b. Enter the total amount of debts against these items.

12-13. a. Enter the market value of your business or farm (including value of buildings, machinery, etc.). Do not include home if it was listed in E9.
    b. Enter the amount of unpaid mortgage or related debts on your business or farm. If you own *part* of a business (farm), enter only the value of your share of business (farm), and only your share of unpaid mortgage. **Example:** If percent of ownership is 25%, market value is $20,000 and unpaid mortgage is $10,000, you would enter $5,000 for market value and $2,500 for unpaid mortgage.

14. Enter the appropriate amount.

15. a. Enter the amount of benefits *per month* you expect to receive between July 1, 1973 and June 30, 1974. Include only those Social Security benefits that *you* receive because *you* are or will be a student. If you do not know this amount, you may obtain this information from the Social Security Administration's District Office that services your claim.
    b. Enter the number of months you expect to receive Social Security educational benefits between July 1, 1973 and June 30, 1974.

16. a. Enter the amount of the benefits *per month* you expect to receive between July 1, 1973 and June 30, 1974 as part of the Veterans Educational Assistance—G.I. Bill Program. If you do not know this amount, contact your local Veterans Administration office. Also include the amount *per month* you expect to receive under the War Orphans' and Widows' Education Assistance Program. Include only those amounts that you receive because you are or will be a student. Do not include your spouse's veterans benefits for education.
    b. Enter the number of months you expect to receive veterans educational benefits between July 1, 1973 and June 30, 1974.

BEST COPY AVAILABLE

TABLES FOR WORKSHEET

TABLE 1 – FAMILY SIZE OFFSET

Family Size	Amount
1	$ 700
2	$2,800
3	$3,350
4	$4,300
5	$5,050
6	$5,700
7	$6,300
8	$7,000
9	$7,700
10	$8,400

If you completed Section D: Family Size = B8

If you completed Section E: Family Size = A7a

TABLE 2 – UNUSUAL EXPENSE ALLOWANCE

Add form items D7 + D8 (E7 + E8) = _____ (1)

Take Item E from worksheet

Take 20% of E x .20

= _____ → – _____ (2)

Subtract (2) from (1) = _____ (3)

If (3) is positive, enter on worksheet, Item G.

TABLE 3 – EMPLOYMENT EXPENSE OFFSET

You should use this table in either of two cases:

(i) When an amount was entered in D4 (E4) on the form and it was the income of a single head of household, then

Enter that amount

Multiply by 50% x .50

= _____ (1)

(ii) When amounts were entered for both (a) and (b) for D4 (E4),

Enter the lesser amount _____

Multiply by 50% x .50

= _____ (1)

Enter (1) on worksheet, Item H, unless (1) is greater than $1,500; then enter $1,500.

TABLE 5 – CONTRIBUTION FROM ASSETS

Take P from worksheet _____ (1)

If J on worksheet is negative, enter that amount; if J is positive, enter a zero. – _____ (2)

Subtract (2) from (1) = _____ (3)

If you completed Section D:

Enter (3) from above _____

Multiply by .05 x .05

Contribution from assets Q = _____

If you completed Section E:

Enter (3) from above _____

Multiply by .33 x .33

Contribution from assets Q = _____

Enter Q on worksheet.

TABLE 6 – EXPECTED CONTRIBUTION PER STUDENT

If you completed Section D of the form, enter B7 _____

If you completed Section E of the form, enter A7b _____

No. from above	Contribution Rate
1	1.00
2	.70
3	.50
4 or more	.40

Take Y from worksheet _____

Multiply by Cont. Rate x _____

Net Contribution Z = _____

Enter Z on worksheet.

TABLE 7 – SPECIAL EDUCATIONAL BENEFITS OF APPLICANT

Take 15a from form _____

Multiply by 15b – _____

= _____ → _____ (1)

Take 16a from form _____

Multiply by 16b x _____

= _____

Multiply by 50% x .50

= _____ → + _____ (2)

Add (1) + (2) = _____ (3)

Enter (3) on worksheet, Item AA.

TABLE 4 – STANDARD CONTRIBUTION FROM INCOME

If you completed Section D:

Take J from worksheet; if J is $1 to $4,999, enter the amount here _____

and multiply by .20 x .20

K = _____

If J is $5,000 or more, enter the amount here _____

and subtract $5,000 – $5,000

= _____

Multiply by .30 x .30

(a) = _____

(b) + $1,000

K = (a) + (b) = _____

If you completed Section E:

Take J from worksheet _____

Multiply by SIC rate x _____

K = _____

SIC (Standard Income Contribution Rate)

.75 If applicant is single

.50 If applicant is married and has no other dependents than spouse

.40 If applicant has 2 or more dependents including spouse if married

BEST COPY AVAILABLE

BASIC EDUCATIONAL OPPORTUNITY GRANT

1973-74

PROGRAM

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
U.S. Office of Education

INSTRUCTIONS

PLEASE REMOVE THE APPLICATION FORM CAREFULLY BEFORE COMPLETING IT.

—PLEASE PRINT ALL INFORMATION IN BALL-POINT PEN OR IN INK.

—AS YOU ENTER INFORMATION ON THIS APPLICATION, PLACE ONLY ONE LETTER OR NUMBER IN EACH SMALL BOX.

EXAMPLE:

/	2	4		S		M	A	I	N		S	T			

—ENTER AMOUNTS IN DOLLARS; OMIT CENTS. **DO NOT LEAVE DOLLAR ITEMS BLANK; ENTER A ZERO (0) IF THE ITEM DOES NOT APPLY TO YOU.** ***DO NOT USE WORDS SUCH AS "UNKNOWN," "NONE," OR "SAME."***

—SEND THE COMPLETED FORM TO:
BASIC EDUCATIONAL OPPORTUNITY
GRANT PROGRAM
P.O. BOX B
IOWA CITY, IOWA 52240

SECTION A—APPLICANT INFORMATION

1-6. Enter the appropriate information. Use acceptable abbreviations when necessary. The State Code for addresses is printed at the right.

7. If you are married or have dependents, read both *a* and *b* below:
   a. Enter the total size of your household. Include yourself, spouse, and children who are dependent on you for more than half their support. Also include other persons who are related to you or living with you *and* for whom you provide more than half their support. If you are divorced or separated and your spouse is filing a separate 1972 Federal Income Tax Return, do not include your spouse.
   b. Enter the number of persons listed in item 7a above who will be attending post-high school educational institutions during the 1973-74 academic year. Include only those who will be attending on at least a half-time basis.

If you are single, without dependents, omit question 7.

8. Enter the appropriate information.

State	Code
Ala.	01
Alaska	02
Ariz.	04
Ark.	05
Calif.	06
Colo.	08
Conn.	09
Del.	10
D.C.	11
Fla.	12
Ga.	13
Hawaii	15
Idaho	16
Ill.	17
Ind.	18
Iowa	19
Kans.	20
Ky.	21
La.	22
Maine	23
Md.	24
Mass.	25
Mich.	26
Minn.	27
Miss.	28
Mo.	29
Mont.	30
Nebr.	31
Nev.	32
N.H.	33
N.J.	34
N.Mex.	35
N.Y.	36
N.C.	37
N. Dak.	38
Ohio	39
Okla.	40
Oreg.	41
Pa.	42
Puerto Rico	43
R.I.	44
S.C.	45
S. Dak.	46
Tenn.	47
Tex.	48
Utah	49
Vt.	50
Va.	51
Wash.	53
W.Va.	54
Wisc.	55
Wyo.	56

If your place of residence is not included above, enter 99 and write the name of the country or territory above the item on the back.

BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

WORKSHEET FOR COMPUTATION OF FAMILY CONTRIBUTION

The purpose of this worksheet is to allow you to estimate the amount of your Family Contribution. This is included for your own use and is **NOT** to be submitted with the application form. To estimate your Family Contribution, enter the appropriate information from your application form as needed. Then proceed to the appropriate column (**Section D** or **Section E**) adding or subtracting, as indicated. For example, to compute item C, Adjusted Annual Income, you would simply add items A and B and enter the total on the line for item C. For some items it will be necessary to use one of the tables on the back of this worksheet. Be sure to enter the data in the correct column, according to which section (D or E) you completed on the form. Remember that this is only an *estimate* and not necessarily the actual amount of your Family Contribution. **NOTE:** If you completed **SECTION D** of the Application Form, use **SECTION D** below. If you completed **SECTION E** of the Application Form, use **SECTION E** below.

				SECTION D	SECTION E
A.	Adjusted Gross Income (use item 3 from application form)				
B.	Other Income (use item 5)		+		
C.	Adjusted Annual Income		=		
D.	Federal Income Tax Paid (use item 6)		−		
E.	Effective Family Income		=		
F.	Family Size Offset (see Table 1)				
G.	Unusual Expenses (see Table 2)	+			
H.	Employment Expense Offset (see Table 3)	+			
I.	Total Offsets	=	→ −		
J.	Discretionary Income		=		
K.	Standard Contribution from Income (see Table 4)				
L.	Assets (use items 9a + 10a + 12a + 13a + 14)				
M.	Debts (use items 9b + 10b + 12b + 13b)		−		
N.	Net Assets		=		
O.	Asset Reserve		−	$7,500	$0
P.	Available Assets		=		
Q.	Contribution from Assets (see Table 5)				
R.	Other Assets (use item 11a only)				
S.	Debts on Other Assets (use item 11b only)		−		
T.	Net Other Assets		=		
U.	Asset Reserve		−	$7,500	$7,500
V.	Other Available Assets		=		
W.	Asset Contribution Rate		×	.05	.33
X.	Contribution from Other Assets				
Y.	Contribution from Total Assets (Q + X) and Income (K) Q + X + K		=		
Z.	Net Contribution (see Table 6)				
AA.	Special Educational Benefits of Applicant (see Table 7)				
BB.	Net Assets of Applicant (use items 17 + 18 of Section D only)				
CC.	Asset Contribution Rate		×	.33	
DD.	Contribution from Applicant's Assets (BB x CC)				

If you completed Section D on the form, your Family Contribution equals Z + AA + DD.

Z		
AA	+	
DD	+	
Your **FAMILY CONTRIBUTION**	=	

If you completed Section E on the form, your Family Contribution equals Z + AA.

Z		
AA	+	
Your **FAMILY CONTRIBUTION**	=	

TABLES FOR WORKSHEET

TABLE 1 – FAMILY SIZE OFFSET

Family Size	Amount
1	$ 700
2	$2,600
3	$3,350
4	$4,300
5	$5,050
6	$5,700
7	$6,300
8	$7,000
9	$7,700
10	$8,400

If you completed Section D:
Family Size = B6

If you completed Section E:
Family Size = A7a

TABLE 2 – UNUSUAL EXPENSE ALLOWANCE

Add form items D7 + D8 (E7 + E8) = _____ (1)
Take item E from worksheet
Take 20% of E x .20
= _____ → – _____ (2)

Subtract (2) from (1) = _____ (3)

If (3) is positive, enter on worksheet, item G.

TABLE 3 – EMPLOYMENT EXPENSE OFFSET

You should use this table in either of two cases:

(i) When an amount was entered in D4 (E4) on the form and it was the income of a single head of household, then

Enter that amount
Multiply by 50% x .50
= _____ (1)

(ii) When amounts were entered for both (a) and (b) for D4 (E4),

Enter the lesser amount
Multiply by 50% x .50
= _____ (1)

Enter (1) on worksheet, item H, unless (1) is greater than $1,500; then enter $1,500.

TABLE 5 – CONTRIBUTION FROM ASSETS

Take P from worksheet _____ (1)
If J on worksheet is negative, enter that amount; if J is positive, enter a zero. – _____ (2)
Subtract (2) from (1) = _____ (3)

If you completed Section D:
Enter (3) from above _____
Multiply by .05 x .05
Contribution from assets Q = _____

If you completed Section E:
Enter (3) from above _____
Multiply by .33 x .33
Contribution from assets Q = _____

Enter Q on worksheet.

TABLE 6 – EXPECTED CONTRIBUTION PER STUDENT

If you completed Section D of the form, enter B7 _____
If you completed Section E of the form, enter A7b _____

No. from above	Contribution Rate
1	1.00
2	.70
3	.50
4 or more	.40

Take Y from worksheet _____
Multiply by Cont. Rate x _____
Net Contribution Z = _____

Enter Z on worksheet.

TABLE 7 – SPECIAL EDUCATIONAL BENEFITS OF APPLICANT

Take 16a from form _____
Multiply by 16b x _____
= _____ → _____ (1)

Take 16a from form _____
Multiply by 16b x _____
= _____
Multiply by 50% x .50
= _____ → + _____ (2)
Add (1) + (2) = _____ (3)

Enter (3) on worksheet, item AA.

TABLE 4 – STANDARD CONTRIBUTION FROM INCOME

If you completed Section D:

Take J from worksheet; if J is $1 to $4,999, enter the amount here _____
and multiply by .20 x .20
K = _____

If J is $5,000 or more, enter the amount here _____
and subtract $5,000 – $5,000
= _____
Multiply by .30 x .30
(a) = _____
(b) + $1,000
K = (a) + (b) = _____

If you completed Section E:

Take J from worksheet _____
Multiply by SIC rate x _____
K = _____

SIC (Standard Income Contribution Rate)

.75 if applicant is single
.50 if applicant is married and has no other dependents than spouse
.40 if applicant has 2 or more dependents including spouse if married

BEST COPY AVAILABLE

Important: You are only eligible for consideration under this program if you will be attending an eligible post-high school educational institution for the first time during the 1973-74 academic year. In addition, you must be enrolled on a full-time basis.
Do not complete this application if you have attended a college, university, post-high school vocational or technical school at any time before July 1, 1973.

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE
OFFICE OF EDUCATION

OMB NO. 51-R0001
APPROVAL EXPIRES: 5/30/75
FOR OFFICE OF EDUCATION USE ONLY

APPLICATION DEADLINE: FEBRUARY 1, 1974

BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

APPLICATION FOR DETERMINATION OF FAMILY CONTRIBUTION FOR 1973-74 ACADEMIC YEAR

READ INSTRUCTIONS FIRST

A APPLICANT INFORMATION

1. APPLICANT'S SOCIAL SECURITY NUMBER (1-3) (3-11)
2. APPLICANT'S NAME (17-29) (31-39) (40) LAST NAME FIRST NAME
3. APPLICANT'S SEX FEMALE ☐ MALE ☐ (41)
4. APPLICANT'S BIRTH DATE (42-47) MONTH DAY YEAR
5. APPLICANT'S PERMANENT MAILING ADDRESS: NUMBER AND STREET (48-71) SEE INSTRUCTIONS FOR LISTING OF STATE CODES* CITY (13-39) (39-41) ZIP CODE* (42-46)
6. APPLICANT'S MARITAL STATUS: (57) 1 ☐ SINGLE 2 ☐ MARRIED 3 ☐ DIVORCED, SEPARATED, WIDOWED
7. IF APPLICANT IS MARRIED OR HAS DEPENDENTS, ANSWER BOTH (a) AND (b) BELOW:
   (a) Total size of Applicant's Household—Include applicant, spouse, dependent children, other dependents . . . . . (39-39)
   (b) Number of Members of Household (including applicant) to be in post-high school educational institutions in 1973-74. . (40-41)
8. Have you attended a college, university, post-high school vocational or technical school at any time before July 1, 1973? ☐ YES ☐ NO (42)

B PARENT (GUARDIAN) INFORMATION

1. NAME OF PARENT OR GUARDIAN LAST NAME FIRST NAME
2. (43-44) AGE
3. SOCIAL SECURITY NUMBER
4. PERMANENT MAILING ADDRESS OF PARENT OR GUARDIAN NUMBER AND STREET SEE INSTRUCTIONS FOR LISTING OF STATE CODES CITY ZIP CODE
5. PARENTS' OR GUARDIAN'S STATUS: 1 ☐ MARRIED 2 ☐ BOTH DECEASED 3 ☐ DIVORCED, SEPARATED, WIDOWED, SINGLE (45)
6. TOTAL SIZE OF PARENTS' (GUARDIAN'S) HOUSEHOLD—Include applicant, parents (guardians), dependent children, other dependents . . . . . (46-47)
7. NUMBER OF MEMBERS OF HOUSEHOLD (including applicant) TO BE IN POST-HIGH SCHOOL EDUCATIONAL INSTITUTIONS IN 1973-74 . . . . . (48-49)

C APPLICANT'S STATUS

YOU MUST ANSWER EACH OF THE FOLLOWING QUESTIONS FOR EACH YEAR

1. DID OR WILL APPLICANT LIVE WITH PARENTS OR GUARDIAN (except for brief holiday periods) DURING . . . 1973 (50) 1 ☐ YES 2 ☐ NO; 1973 (51) 1 ☐ YES 2 ☐ NO; 1974 (52) 1 ☐ YES 2 ☐ NO
2. APPLICANT IS, WAS, OR WILL BE LISTED AS AN EXEMPTION ON PARENTS' OR GUARDIAN'S FEDERAL INCOME TAX RETURN DURING . . . 1973 (53) 1 ☐ YES 2 ☐ NO; 1973 (54) 1 ☐ YES 2 ☐ NO; 1974 (55) 1 ☐ YES 2 ☐ NO
3. DID OR WILL APPLICANT RECEIVE $200 OR MORE IN FINANCIAL ASSISTANCE FROM PARENTS OR GUARDIAN DURING . . . 1973 (56) 1 ☐ YES 2 ☐ NO; 1973 (57) 1 ☐ YES 2 ☐ NO; 1974 (58) 1 ☐ YES 2 ☐ NO

IF: YOU ANSWERED *YES* FOR *ANY* QUESTION FOR *ANY* YEAR IN SECTION C, COMPLETE ONLY SECTION D ON THE NEXT PAGE, AND SIGN.

OR: IF YOU ANSWERED *NO* FOR *ALL YEARS* AND *ALL QUESTIONS* IN SECTION C, COMPLETE ONLY SECTION E ON THE NEXT PAGE, AND SIGN.

31-506 O - 74 - 7

BEST COPY AVAILABLE

D PARENTS FINANCIAL STATEMENT

PARENTS' INCOME AND EXPENSES

1. DID PARENTS FILE A JOINT FEDERAL INCOME TAX RETURN FOR 1973 ? ☐ YES ☐ NO (26)
2. TOTAL NUMBER OF EXEMPTIONS CLAIMED ON 1973 FEDERAL INCOME TAX RETURN ▶ ☐ (40-41)
3. ADJUSTED GROSS INCOME (from line 17 of IRS form 1040, or line 14 of IRS form 1040A) . . . . . $ 1973 ☐☐☐☐ .00 (42-46)
4. ENTER THAT PORTION OF ITEM 3 EARNED THROUGH EMPLOYMENT BY:
   a) Father . . . . . $ ☐☐☐☐ .00 (47-71)
   b) Mother . . . . . $ ☐☐☐☐ .00 (72-76)
5. OTHER INCOME (Social Security, child support, tax-free bonds, capital gains, welfare, etc.) See instructions . . $ ☐☐☐☐ .00 (77-81)
6. TOTAL FEDERAL INCOME TAX PAID (from line 30 of IRS form 1040, or line 21 of 1040A) . . . . . $ ☐☐☐☐ .00 (82-86)

UNUSUAL EXPENSES (See instructions)

7. MEDICAL and/or DENTAL . . . . . $ ☐☐☐☐ .00 (87-91)
8. CASUALTY or THEFT LOSSES . . . . . $ ☐☐☐☐ .00 (92-96)

PARENTS' ASSETS AND LIABILITIES

	PRESENT MARKET VALUE (a)	UNPAID MORTGAGE OR DEBTS (b)
9. HOME (97-102)	$ ☐☐☐☐ .00	$ ☐☐☐☐ .00
10. INVESTMENTS AND REAL ESTATE (see instructions) (103-108)	$ ☐☐☐☐ .00	$ ☐☐☐☐ .00
11. OTHER ASSETS (see instructions) (109-114)	$ ☐☐☐☐ .00	$ ☐☐☐☐ .00
12. BUSINESS (115-120)	$ ☐☐☐☐ .00	$ ☐☐☐☐ .00
13. FARM (121-126)	$ ☐☐☐☐ .00	$ ☐☐☐☐ .00
14. CASH, SAVINGS ACCOUNTS, CHECKING ACCOUNTS . .	$ ☐☐☐☐ .00 (127-132)	

APPLICANT'S SPECIAL EDUCATIONAL BENEFITS
(to be received between July 1, 1973 and June 30, 1974)

15. a) Social Security benefits PER MONTH . . . . . $ ☐☐☐ .00 (41-43)
    b) NUMBER OF MONTHS . . . . . ☐ (44-45)
16. a) Veteran's benefits PER MONTH (G.I. Bill) . . . . . $ ☐☐☐ .00 (46-48)
    b) NUMBER OF MONTHS . . . . . ☐ (49-50)

APPLICANT'S RESOURCES

17. SAVINGS . . . . . $ ☐☐☐☐ .00 (51-55)
18. OTHER RESOURCES (See instructions) . . . . . $ ☐☐☐☐ .00 (56-60)

I (We) certify that we have read this application and that it is accurate and complete to the best of our knowledge. We authorize the United States Commissioner of Education, or his representative, to obtain from the District Director of Internal Revenue with which it was filed, a copy of the 1973 Federal Income Tax Return upon which the computation of expected family contribution is based, in order to verify the foregoing statement. We further agree to provide, if requested, any other documentation necessary to verify information reported on this form.

SIGNATURE: APPLICANT (61) DATE COMPLETED (62-67)

SIGNATURE OF PARENT (68) SIGNATURE OF PARENT (69)

OE FORM 333, 2-73

E APPLICANT'S FINANCIAL STATEMENT

INCOME AND EXPENSES: APPLICANT/SPOUSE

1. DID APPLICANT FILE A JOINT FEDERAL INCOME TAX RETURN FOR 1973 ? ☐ YES ☐ NO (26)
2. TOTAL NUMBER OF EXEMPTIONS CLAIMED ON 1973 FEDERAL INCOME TAX RETURN ▶ ☐ (40-41)
3. ADJUSTED GROSS INCOME (from line 17 of IRS form 1040, or line 14 of IRS form 1040A) . . . . . $ 1973 ☐☐☐☐ .00 (42-46)
4. ENTER THAT PORTION OF ITEM 3 EARNED THROUGH EMPLOYMENT BY:
   a) Applicant . . . . . $ ☐☐☐☐ .00 (47-71)
   b) Spouse . . . . . $ ☐☐☐☐ .00 (72-76)
5. OTHER INCOME (Social Security, child support, tax-free bonds, capital gains, welfare, etc.) See instructions . . $ ☐☐☐☐ .00 (77-81)
6. TOTAL FEDERAL INCOME TAX PAID (from line 30 of IRS form 1040, or line 21 of 1040A) . . . . . $ ☐☐☐☐ .00 (82-86)

UNUSUAL EXPENSES (See instructions)

7. MEDICAL and/or DENTAL . . . . . $ ☐☐☐☐ .00 (87-91)
8. CASUALTY or THEFT LOSSES . . . . . $ ☐☐☐☐ .00 (92-96)

ASSETS AND LIABILITIES: APPLICANT/SPOUSE

	PRESENT MARKET VALUE (a)	UNPAID MORTGAGE OR DEBTS (b)
9. HOME (97-102)	$ ☐☐☐☐ .00	$ ☐☐☐☐ .00
10. INVESTMENTS AND REAL ESTATE (see instructions) (103-108)	$ ☐☐☐☐ .00	$ ☐☐☐☐ .00
11. OTHER ASSETS (see instructions) (109-114)	$ ☐☐☐☐ .00	$ ☐☐☐☐ .00
12. BUSINESS (115-120)	$ ☐☐☐☐ .00	$ ☐☐☐☐ .00
13. FARM (121-126)	$ ☐☐☐☐ .00	$ ☐☐☐☐ .00
14. CASH, SAVINGS ACCOUNTS, CHECKING ACCOUNTS . .	$ ☐☐☐☐ .00 (127-132)	

APPLICANT'S SPECIAL EDUCATIONAL BENEFITS
(to be received between July 1, 1973 and June 30, 1974)

15. a) Social Security benefits PER MONTH . . . . . $ ☐☐☐ .00 (41-43)
    b) NUMBER OF MONTHS . . . . . ☐ (44-45)
16. a) Veteran's benefits PER MONTH (G.I. Bill) . . . . . $ ☐☐☐ .00 (46-48)
    b) NUMBER OF MONTHS . . . . . ☐ (49-50)

I (We) certify that I (we) have read this application and that it is accurate and complete to the best of my (our) knowledge. I (we) authorize the United States Commissioner of Education, or his representative, to obtain from the District Director of Internal Revenue with which it was filed, a copy of the 1973 Federal Income Tax Return upon which the computation of expected family contribution is based, in order to verify the foregoing statement. I (We) further agree to provide, if requested, any other documentation necessary to verify information reported on this form.

SIGNATURE: APPLICANT (51) APPLICANT'S SPOUSE (52) DATE COMPLETED (53-58)

WARNING: ANY PERSON WHO KNOWINGLY MAKES A FALSE STATEMENT OR REPRESENTATION ON THIS FORM SHALL BE SUBJECT TO A FINE, OR TO IMPRISONMENT, OR TO BOTH, UNDER PROVISIONS OF THE UNITED STATES CRIMINAL CODE

MAIL COMPLETED FORM TO:
[illegible]
P.O. BOX 6
[illegible]

APPENDIX B-2

CSS Need Analysis: Theory and Computation Procedures

for the 1974-75 PCS and SFS

Including Sample Cases and Tables

College Scholarship Service

College Entrance Examination Board, New York
1973

BEST COPY AVAILABLE

Introduction

The CSS was established in 1954 in response to the expressed need of postsecondary education institutions for a single consistent and equitable approach to the awarding of student financial aid. With the support and advice of the educational community, the CSS developed an objective means for determining the parents' ability to meet educational expenses. Consideration of the family's financial strength in relation to educational costs provided a means of determining financial need. Financial need can be defined most simply as the difference between the cost of an education at a particular institution and the amount of money a student and his family can reasonably make available, from their income and assets, to meet the expenses of that education.

Since financial need is related to the cost of education, a family with a rather substantial level of living may demonstrate financial need at an institution with high annual costs. The same family, applying for assistance at a community college or a vocational-technical school may be unable to demonstrate need. Financial need in general is *relative* to educational costs.

Today it is a widely accepted principle that financial aid awarded on the basis of need enables the greatest numbers of students to begin or continue their education. This belief is incorporated in the "Statement of Student Financial Aid Principles" endorsed by the more than 4,000 postsecondary institutions, state agencies, and scholarship sponsors that currently use the CSS need analysis service.

During its 19 years of existence the CSS has made a continuous effort to improve the status of the professional in the financial aid field. One contribution has been the publication of a detailed book describing the CSS need analysis system. This comprehensive guide includes the basic rationale, the economic principles, and the computational procedures used in the CSS system. By providing this publication, the CSS is continuing its commitment to help professional personnel involved in the equitable distribution of financial aid to understand how the parents' and student's expected contributions are derived. With this assistance, the financial aid administrator will be better prepared to consider individual adjustments to the expectations and the resultant financial need if the financial situation of a family changes or if additional information about the family's circumstances becomes known.

This book is revised periodically to reflect changes in the CSS need analysis system. Changes are made as economic conditions shift or for the purpose of increasing the equity in the rationale. These modifications are the result of a continuing critical analysis of the CSS system by financial aid administrators, the CSS staff, and outside consultants familiar with financing postsecondary education, consistent with the needs of students and the CSS need analysis system.

Several position papers recommending modifications in rationale and computation procedures for the 1974-75 academic year were reviewed by members of the CSS Assembly and users of CSS services during the previous year. These included: "Assets in the CSS Need Analysis Rationale" (College Entrance Examination Board, January 1973, 26 pages), prepared by Ralph Kaminsky, Associate Dean, Graduate School of Public Administration and Professor of Economics, New York University; "Discretionary Purchasing Power: A Means of Measuring Liquidity of Resources (College Entrance Examination Board, January 1973, 11 pages), prepared by James L. Bowman, Director, Financial Aid Studies and Programs, Educational Testing Service; and "Issues in Validity of Family Financial Information Reported on CSS Need Analysis Documents" (College Entrance Examination Board, January 1973, 6 pages), prepared by Alexander G. Sidar Jr., Executive Director, College Scholarship Service. Changes recommended by the Committee on Need Assessment Procedures and approved by the CSS Council included a reduction in the marginal taxing rate of discretionary income (page 13) and updating the budget standards to reflect cost-of-living increases. Additional recommendations were also made to strengthen the validity of financial data reported to the CSS.

CSS Need Analysis: Theory and Computation Procedures was prepared by Alan S. Mishne, associate director of the CSS, Elizabeth W. Suchar, associate director of the CSS, both of the College Board, and William J. Cavanaugh, associate program director of the CSS at Educational Testing Service. Editing was capably done by Diane L. Olsen, associate editor of the College Board.

Questions regarding the CSS need analysis or supportive services are welcome and should be directed to the central or regional offices of the College Board, listed in the back of this book.

BEST COPY AVAILABLE

1. The CSS financial need analysis system

The assumptions

The primary purpose of financial aid programs is to permit attendance at postsecondary institutions by students who cannot afford to pay the expenses themselves. In identifying those students that have financial need, institutions recognize the importance of a consistent method for measuring the ability of families to pay for educational costs. In addition, federal and state programs developed to equalize educational opportunity require that a student's financial need be determined in a systematic way.

Over the past 19 years the CSS has been assisting postsecondary institutions, state and sponsored scholarship programs, and others through its need analysis services to determine the ability of families to pay for educational expenses. The need analysis system of the CSS is designed to serve as a national standard of objective measurement of ability to pay for higher education. The CSS Council, the governing body of the CSS Assembly, is committed to insuring that the CSS need analysis system provides a national yardstick for analyzing what a given family is able to pay and does not become a rationing device contingent upon budget allocations and other external factors.

The CSS need analysis system is based on several assumptions, and its levels of expectation are related to current economic concepts and the best available evidence of parental ability to pay for postsecondary education.

The underlying principle of the CSS need analysis system is that parents have an obligation to finance the education of their children to the extent that they are able. In analyzing the family's financial strength both the family's income and assets combined are considered to produce the most complete index of the family's ability to pay for postsecondary education. Another major assumption of the CSS need analysis system is that the size of the family and the extraordinary expenses that the family may have must be considered in order to measure the true ability of the family to contribute to educational costs. So, too, must such factors as the age of the parents, provisions for retirement, and the number of working parents – factors that will alter a family's financial strength.

The need analysis system must assume that the student also has an obligation to share the responsibility for meeting the cost of postsecondary education. This obligation is reflected through a systematic expectation of contributions from a student's own savings, employment income, and other resources or benefits.

Another general assumption of the CSS need analysis system is that the student and his family must be accepted in their present financial condition. Any system that analyzes financial need must deal first with the objective facts of family financial circumstances. It cannot make distinctions between the frugal poor and the spendthrifty. It cannot distinguish between improvidence and financial tragedy.

Families with similar incomes may have dissimilar assets for a variety of reasons. Previous illness, bankruptcy, or unemployment may have depleted the assets of a family. Through the use of CSS need analysis an equitable and reasonable contribution from a family is obtained. If a family were expected to contribute an amount greater than its *present ability* dictated, the student would be penalized by being forced to find a way to assume the financial burden that could not be met by either his parents or the institutional aid program.

An objective system of financial need analysis must treat all families equitably, recognizing the peculiarities of each family's situation to the greatest extent possible. It must recognize expenses and expenditures that are not a matter of family choice. A family with unusual medical or dental expenses, over which it has no control, must receive recognition of its difficulties. Other obligatory expenditures, such as the payments of taxes, support for dependent relatives, and emergency home repairs due to flood or fire, must also be considered as beyond the choice of the family. A lower contribution should be expected from a family that has such difficulties imposed upon it by external or uncontrollable circumstances.

On the other hand, a need analysis system should not make adjustments in its estimates of financial strength because of differences in family situations which result from family choice. For example, a family that owes a large debt on an automobile is treated identically with a family that owns a fully paid-for model. Even though the first family has a debt and is required to allocate more of its income to paying that debt, the purchase of the automobile generally reflects family choice, and this obligation is not considered in the estimate of its ability to pay for college.

Although accurate, objective data are the basis for systematic need analysis, the resulting contribution should be considered as a reliable recommendation. Complexities in individual family financial circumstances and differences in attitudes toward education will require that an aid administrator consider adjustments if appropriate for a specific family. In doing this he must evaluate both the objective and subjective information available to him from all sources. *A system of need analysis must always be a guide for judgment, not a substitute.* A financial aid administrator has a professional responsibility to make equitable judgments about each individual family.

In 1954 the colleges and universities that were members of the College Board authorized the inauguration of a new activity, the College Scholarship Service, for the purpose of providing a standardized method of determining financial need. Before that time there had been as many systems of need analysis as there were postsecondary institutions that accepted the concept. The principles set forth guided the CSS at the time of its founding and as modified still furnish the underlying basis for the need analysis system.

Principles of student financial aid administration

1. The purpose of any financial aid program – institutional, governmental, or private – should be to provide monetary assistance to students who can benefit from further education but who cannot do so without such assistance. The primary purpose of a collegiate financial aid program should be to provide financial assistance to accepted students who, without such aid, would be unable to attend that college.

2. Each college has an obligation to assist in realizing the national goal of equality of educational opportunity. The college, therefore, should work with schools, community groups

BEST COPY AVAILABLE

and other educational institutions in support of this goal.

3. The college should publish budgets that state total student expenses realistically including, where applicable, maintenance at home, commuting expenses, personal expenses, and necessary travel.

4. Parents are expected to contribute according to their means, taking into account their income, assets, number of dependents, and other relevant information. Students themselves are expected to contribute from their own assets and earnings, including appropriate borrowing against future earnings.

5. Financial aid should be offered only after determination that the resources of the family are insufficient to meet the student's educational expenses. The amount of aid offered should not exceed the amount needed to meet the difference between the student's total educational expenses and the family's resources.

6. The amount and type of self-help expected from students should be related to the circumstances of the individual. In the assignment of funds to those students designated to receive financial aid, the largest amounts of total grant assistance should go to students with the least ability to pay.

7. The college should review its financial assistance awards annually and adjust them, if necessary, to reflect changes in the financial needs of students and the expenses of attending the institution. The college has an obligation to inform students and parents of the financial aid renewal policies for enrolled students at the time of the initial offer of financial assistance.

8. Because the amount of financial assistance awarded reflects the economic circumstances of the student and his family, the college should refrain from any public announcement of the amount of aid offered, and encourage the student, his secondary school, and others to respect the confidentiality of this information.

9. All documents, correspondence, and conversations between and among the aid applicant, his family, and financial aid officers are confidential and entitled to the protection ordinarily arising from a counseling relationship.

10. Concern for the student should be paramount. Financial aid should be administered in such a manner that other interests, important though they may be, are subordinate to the needs of students.

Aid administrator's judgment

The CSS system attempts to be sensitive to the empirical evidence of the family capability in financing postsecondary education, as presented on the Parents' Confidential Statement and the Student's Financial Statement. There are times when the strict application of the CSS principles and philosophy to this information will be inappropriate. The following must be remembered.

1. The CSS system provides a measurement of family financial strength in relation to anticipated educational expenses. It does not consider academic ability and potential, character, or other criteria that an institution may employ in selecting financial aid recipients.

2. The CSS system provides a measurement of a family's ability to pay. Like any system designed to process a large number of different cases, it must follow a standard set of procedures. These standard procedures may not be completely applicable to the particular circumstances reflected by any individual student and his family.

3. The CSS system measures the amount of financial support that the parents can contribute toward postsecondary education *at the time the financial statement is submitted*. This amount should be reviewed periodically to reflect changes that may occur in particular circumstances.

The CSS system treats most cases equitably, but the *judgment of the financial aid administrator is indispensable*. This judgment reflects experience in dealing with families of all types and their individual problems, as well as the individual and specific information that may exist. The financial aid administrator must always be the final authority in any system of need analysis.

BEST COPY AVAILABLE

2. The theory of need analysis for the dependent student

Parents' responsibility

The rationale used by the CSS to determine the contribution expected toward meeting educational expenses begins with the concept that parents have an obligation to pay for the education of their children to the extent that they are able to do so. More specifically, parents are expected to continue to provide, as well as they are able, the basic essentials of life whether the student lives at home or on the college campus. These essentials include meals, room, clothing, and medical care. If their means permit contributions beyond the essentials, they are expected to assist in the payment of tuition and other direct educational expenses.

To determine the amount that can be expected as the maintenance contribution and the amount the family will have available after the essentials of life have been met, the CSS system uses a moderate standard of living. This moderate level of living is essentially that standard enjoyed by the middle third of the population. It is neither luxurious nor poverty-stricken. The moderate income allows adequate funds for food and housing, for health and nurture of children, and for reasonable participation of the family in social and community activities.

The figures used by the CSS for income needed to maintain a moderate level of living were derived from the spring 1967 cost estimates by the United States Bureau of Labor Statistics (adjusted to the February 1973 Consumer Price Index) for a two-parent, two-child family. The figure for a moderate living standard has also been adjusted to provide for families of different sizes that have a college-age offspring. Table 1 shows the moderate levels of income after federal income taxes have been deducted.

Table 1. Moderate-income levels (two-parent family)

Number of dependent children	*Income after federal tax*
1	$ 8,860
2	10,310
3	11,650
4	12,670
5	13,390
6	14,120
7	14,840
8	15,460
9	15,970
10	16,390

These income points are used by the CSS to define the levels below which all parental income is assumed to be needed for the maintenance of the family. This includes the amount necessary to maintain the dependent child or children attending postsecondary institutions.

In addition to continued obligation to support the child while he or she attends a postsecondary institution, the CSS expects that families should be expected to contribute to the costs of education to the extent that they are able. The CSS system considers that the income above the maintenance levels (above the moderate level) is discretionary income, that is, money that is available to the family for purchases it chooses to make. The amount the CSS system expects from discretionary income increases as the amount of income rises. The rate of expectation is therefore progressive and is derived by the establishment of a set of marginal taxing rates, provided on page 13.

As incomes decrease below the moderate standard there is less income available to provide for the maintenance needs of the dependent student. This fact is recognized by the CSS system by a reduction in the amounts expected for maintenance to the point at which family income approximates 80 percent of the Bureau of Labor Statistics (BLS) lower budget level. At that point the family is not expected to have any resources available to contribute to the costs of the student while attending a postsecondary institution. At incomes below the lower standard there is little ability to generate a cash savings when a child departs to a postsecondary institution. Rather, the absence of a child will result in a less severe budget for the remaining family members.

The income levels based on the Bureau of Labor Statistics lower budget standard, at which families could only continue to provide a small allowance and probably some assistance with clothing purchases, are provided in Table 2.

Table 2. Low-income levels (two-parent family)

Number of dependent children	*Income after federal tax*
1	$ 6,010
2	7,000
3	7,910
4	8,610
5	9,360
6	9,860
7	10,370
8	10,800
9	11,170
10	11,450

Effective income

A second basic assumption of the CSS need analysis system is that a family's income is the primary source of support for education but that adjustments should be allowed for certain expenditures of the family that alter its financial strength.

The income figure used by the CSS for its determination of the expected parental contribution is current-year income. Current income is defined as income for the calendar year immediately prior to the academic year for which financial assistance is being requested by the student. Current-year income provides greater reliability and permits verification of the data reported by the parents because the income can be compared with that reported in statements such as the Internal Revenue Service income tax return form, payroll receipts, and other payment vouchers.

Determination of a family's financial strength begins with a look at the total income of the mother and the father. This includes both taxable and nontaxable income. From the total income the CSS subtracts any unreimbursed business expenses reported by the parents to calculate the family's "net income."

BEST COPY AVAILABLE

Unusual expenses

CSS procedures provide for a variety of adjustment to the family's net income for expenditures that reduce the family's financial ability to pay for educational costs. These allowances include:

Allowance for taxes. One of the main adjustments to the family's net income is for federal income taxes paid or to be paid for the current year's earned income and on income from investments. The amount of state income tax paid or to be paid is also subtracted from net income.

Allowance for working spouse. If both parents work or are earning taxable income, a working-spouse allowance is made, because it costs more for a family to have two people earn a given income than to have one person earn the same income. The allowance is applied to the lesser-salaried member of the family and is 50 percent of the first $2,000 of earnings and 25 percent of the earnings over $2,000 (up to a maximum annual allowance of $1,500). This approximates the average additional expenses incurred by the spouse in earning a supplementary income.

Allowance for medical and dental expenses. When the family's medical and dental expenses (including the cost of medical insurance) exceed normal expenditures for a moderate level of income an allowance is made. The allowance is granted for such expenses in excess of 5 percent of "net" income. Only expenses beyond this base amount are considered to be unusual expenses.

Allowance for emergency expenses. Allowances are also provided for certain expenditures that are not normal expenses of family life and do reduce the family's income. These expenses are generally incurred because of circumstances over which the family has no control – such as fire, flood, and theft – and are not recurring. Routine expenses or those of discretionary nature of the family, such as maintenance costs and consumer purchases, are not allowable deductions, as provision for these types of expenses is made in the BLS budget standard.

Allowance for indebtedness. An allowance for debt is generally subtracted from the family's assets. However, in those cases where a family has personal indebtedness in excess of its assets, the CSS, recognizing a normal 36-month-maximum repayment period on consumer debt, provides an allowance against the family's "net" income equal to one-third of the difference between assets and debts. This allowance is made only when the expenditure for which debt was incurred would have been allowed as an emergency or extraordinary expense. Debt incurred for durable consumer goods, for example, is not allowed.

Allowance for expenses for dependents other than children. Some parents must provide total or partial support for their own parents or other relatives. An allowance of $600 is made for each of these dependents who is claimed as an exemption for federal income tax purposes.

After these allowances have been subtracted from net income, the amount that remains is considered effective income – income available to the family for food, housing, clothing, support of children, participation in social and community activities, and, to a greater or lesser extent, discretionary purchases. Education is considered by those using CSS services to be the most important discretionary purchase that a family with college-age children can make.

The concept of supplementary income flow

Another basic assumption of the CSS need analysis system is that income and assets combined produce the most complete index of a family's financial strength and therefore its ability to pay.

Thus far this discussion has dealt with effective income, without reference to the assets of families. It is generally recognized that the possession of assets enhances the economic position of a family because the combination of income and assets gives greater total financial strength than income alone. Following this concept, a family with small income and large assets may have the same financial strength as another family with a higher income but few or no assets.

The CSS measures the financial strength provided by various combinations of income and assets by determining the potential supplementary income that would be expected from a given value of assets. Since assets generally have been accumulated by deferring the purchase of goods and services from income in the past, the assets can be considered available to supplement the purchase of goods and services from income at the present and in the future.

Traditionally, families accumulate assets for three major purposes: discharging indebtedness, providing for retirement, and future spending. In determining the income supplement that can be expected from assets, the CSS excludes that portion of assets needed for retirement and for discharging indebtedness. The income supplement is derived from the remaining assets, which is the discretionary amount of assets set aside for spending and considered to be available for meeting educational expenses.

While families may not actually convert their assets according to the CSS formula, the technique serves to treat families equitably that have about the same financial strength when both income and assets are considered together.

Net worth

The first step in computing the income supplement is to determine the family's net worth. This is defined as the fair market value of family assets, for example, real estate, stocks, business, and farm property less indebtedness. Indebtedness against family assets and general indebtedness outstanding are both taken into account and deducted from total assets. This procedure is followed because the repayment of debt reduces the ability of families to purchase goods and services from income and it is necessary to reduce total assets to the extent that they are not available for this purpose.

In computing the value of assets the value of consumer goods is not taken into account. Likewise, in determining allowable indebtedness, loans or debts incurred in connection with purchases of such durable consumer goods as automobiles, household furnishings and appliances are not considered.

To achieve horizontal equity, that is, treating families in similar financial circumstances equally, the CSS system in

BEST COPY AVAILABLE

figuring the net worth of farms and businesses considers their full value excluding the liabilities associated with these assets. By subtracting liabilities, the CSS provides for adequate protection of the family's investments. In the case of multiple ownership of a business or farm, only the parents' share of the net worth is considered.

Allowance for retirement

The CSS system recognizes the need for families to accumulate assets to provide for retirement, since social security insurance provides only a portion of the income needed by a husband and wife to live at the moderate standard of living during retirement years. To protect enough assets to supplement retirement benefits from social security, the CSS system provides for a retirement allowance against net worth.

The allowance against net worth for retirement purposes is calculated by determining the cost of an annuity, purchased at the primary working parent's present age, which would provide at age 65 for the needed addition to social security retirement benefits to maintain the family at the moderate level. The same budget estimates that produced the moderate-income levels for determining family contributions from income have been adjusted to provide comparable figures for retired people. This allowance may fluctuate as estimates of living costs, social security benefits, and annuity costs (related to changing mortality rates) alter. Therefore, updates are made by the CSS as economic conditions warrant.

The same budget estimates that produced the moderate-income levels for determining family contributions from income have been adjusted to provide comparable figures for retired people. These estimates indicate that a retired 65-year-old *couple* reaches a moderate-income level at $5,150; *a single individual*, at $3,350. The average level of annual benefits from social security, based on data from the Social Security Administration, is approximately $3,770 for couples and $1,800 for single individuals. Therefore, the levels of moderate retirement income ($5,150 and $3,350) require a supplementary contribution of $1,380 and $1,550 per year from sources other than social security benefits.

After provision against net worth has been made for an appropriate retirement allowance as well as for indebtedness, the family's remaining assets are considered *discretionary*.

Income supplement

It is from the discretionary net worth of the family that the additional financial strength generated by assets is measured. The discretionary net worth represents the portion of family net worth that is not required to provide a moderate level of retirement income and can be considered available for the family to use in supplementing income at present and in the future.

Because assets have been accumulated in the past for use at some time in the future, some portion of a family's discretionary net worth can be assumed to be available for use in each of the expected remaining future years. To determine the contribution that can be made from discretionary net worth to pay for goods and services out of current income, the CSS system uses a conversion percentage to produce the annual income flow. The conversion percentages reflect the estimates of average expected life years for various age groups and an assumed rate of growth of discretionary net worth over time. Moreover, the expected additional accumulation of wealth depends on the present age of the primary working parent. The assumed rate of growth of the total discretionary net worth has been derived from a survey of the financial characteristics of consumers undertaken by the Federal Reserve Board and updated for current economic conditions. This survey indicates that the size of asset holdings is closely correlated with age. It also demonstrates that the average level of asset holdings of individuals is higher at older ages than at younger ones. Consequently the amount of assets possessed by a person aged 40 has a greater potential for increase than the same amount of assets held by a person aged 60. The 40-year-old has many years of working life remaining in which he can add to his assets from future savings, and it is probable that his present assets will increase in value during that time. On the other hand, a person at age 60 has almost reached the peak of his earning power, and his assets have little, if any, potential for increase. Moreover, the latter part of the life cycle is normally one of asset reduction rather than of asset growth.

In considering the needs of families in which the mother is the sole source of support, the conversion rates are based on two considerations – the special economic circumstances that female heads of households face and their generally longer life span.

Negative income supplement

In order to provide equal treatment among all families, the CSS distinguishes between sufficient assets for retirement and insufficient assets. When the family assets are not sufficient to provide for adequate retirement at the moderate level, an allowance is granted against effective income. The age of the primary working parent is used in determining the amount to be subtracted from the parents' effective income. The amount is less the younger the individual is because of the greater number of working years remaining to accumulate the assets necessary for retirement at a moderate level of living.

Adjusted effective income

The final step before determining the amount parents can reasonably be expected to contribute toward meeting educational expenses is to determine the adjusted effective income of the family. Adjusted effective income is the *effective income* plus the *income supplement from discretionary net worth*. The adjusted effective income reflects the economic strength of the family resulting from a combination of its income and assets. Contributions toward educational expenses are derived from this amount.

Combining income and assets to measure a family's financial strength means that a family with an effective income of $10,000 and a similar family with adjusted effective income composed of $8,000 effective income and $2,000 income supplement from discretionary net worth would be considered to have equal financial strength and would also be expected to contribute the same dollar amount toward a year of educational expenses.

BEST COPY AVAILABLE

The fact that the family with an income supplement is asked to contribute more toward those expenses than would be required from its effective income alone does not mean that it is forced to liquidate a portion of its assets to meet the increased expected contribution, although it may choose to do so. It is a reflection of its ability to contribute more from current income for educational expenses because its assets provide it with greater financial security.

Expected parental contribution from the moderate level

The CSS system revolves around the concept of the BLS moderate standard of living. Much research has been conducted to insure the appropriateness of this standard, and it is modified as economic conditions change. The BLS moderate standard is updated as necessary for changes in the Consumer Price Index, the latest family size differential ratios estimated by the Social Security Administration and to adjust for the age of the dependent children in the family. Both the moderate standard and the lower standard serve as reference points in the CSS system for determining the ability of parents to contribute to the costs of postsecondary education.

At the moderate standard, it is expected that parents would be able to continue to provide for the maintenance of the student, whether he resides at home or on the campus. At the moderate level, a family would spend approximately $1,150 in a nine-month period for the living costs of each child attending a postsecondary institution. This figure of $1,150 was derived by determining the average number of dependent children of PCS filers in 1971-72 and then developing a weighted budget average that can be used to determine the costs associated with each child attending an institution of higher education. At the effective moderate-income levels indicated in Table 1, the family would be expected to contribute $1,150 from income, an amount that represents the continuing obligation of the parents to provide the basic necessities of life.

From below the moderate level

Below the moderate-income level, expectations decrease from $1,150 to $250 at the level at which families are considered to be just emerging from subsistence living. The points of $250 contribution were derived by using the Bureau of Labor Statistics consumption data for a family living at a lower standard. These data, adjusted to the February 1973 Consumer Price Index, have been further adjusted to provide for a college-age child and for families of differing sizes. The income levels, based on income after federal taxes have been deducted and on family size, at which the parents would be expected to contribute $250 are presented in Table 2.

From below the low-income level

Where incomes fall at or below the lower budget level, expectations decrease from $250 to *minus* $500. At the point at which family income approximates 80 percent of the lower budget level the contribution is zero. When the family income approximates 50 percent of the lower level the contribution figure is minus $500. The provision of a "negative" parental contribution is in recognition of the fact that at income levels below the lower budget level, families can afford no contribution toward the direct educational costs of attendance at postsecondary institutions (the budget costs, such as tuition, fees, books and supplies, used in financial need analysis). As family income decreases it is reasonable to suppose that families cannot even afford the indirect costs of college attendance. Indirect costs are those associated with the provision of adequate clothing, necessary furnishings for campus housing, and other items generally needed by students.

One family earning $6,500 and a similar family earning $4,000 are not in equal financial circumstances, and to be completely fair to both families it is necessary to treat them *un*equally, rather than applying the same expectation to all families below the lower budget level. This difference in financial circumstances is indicated in CSS procedures by the negative contribution figure provided in its financial need analysis system.

To illustrate how the negative contribution functions, consider a two-parent, two-child family with an effective income of $4,000 and an institutional budget of $2,500:

Using the negative contribution	
Institutional budget	$2,500
Expected parental contribution	+ (390)
Estimated financial need	$2,890
Using the CSS *alternate contribution*	
Institutional budget	$2,500
Expected parental contribution	+ 0
Estimated financial need	$2,500

Instead of subtracting the expected parental contribution from the institutional budget to derive the financial need, the expected parental contribution, which is a negative figure, is *added* to the institutional budget. This produces a figure indicating a greater financial need than using the alternate contribution. The use of a negative contribution emphasizes the different budget needs of varying income levels and provides a greater differentiation for families below the lower budget level than is indicated by a fixed zero parents' contribution.

A negative contribution figure can be used by institutions in two ways. Ideally, financial aid administrators should recognize the special budget needs of students from families of low socioeconomic standing. In these cases, financial aid awards that meet full need should be made. This kind of award would recognize not only the direct educational costs but also the indirect costs to these families. Where a financial aid administrator cannot financially recognize the indirect costs, because of the limitation of resources, the negative contribution figure can serve as a ranking device for setting priorities on existing funds. In such cases, students from low-income families would have a greater indicated need for financial assistance, and should therefore receive priority in the allocation of funds.

From above the moderate level

The CSS recognizes that a certain level of income and assets is necessary to maintain the family. Income and assets above this level are to varying degrees available to meet educational costs. The expected contribution to postsecondary education from the adjusted effective income of a family consists of an expectation from the "maintenance" level of income and from

BEST COPY AVAILABLE

discretionary income, if present.

As family incomes increase above the moderate levels, families have enough money to provide the necessities of life; they also have money available for discretionary use. Progressively higher contributions toward the expenses of postsecondary education are expected from family income as discretionary income rises. The CSS system uses a single marginal taxing rate that is applied against income above the moderate level.

When more than one sibling is attending a postsecondary institution

The CSS recognizes the special circumstances of a family in which two or more siblings are attending postsecondary institutions at the same time.

Since parents are expected to continue to provide the basic necessities of life whether a student lives at home or on the campus, the CSS assume that the maintenance contributions will be available to meet the expenses of all siblings in attendance at the same time. The contribution from discretionary income, if any, represents the *maximum* amount that a family can be expected to contribute above the maintenance contribution toward the expenses of postsecondary education. If only one child in the family is attending a postsecondary education institution, the *entire* contribution from discretionary income is available to meet expenses. If other siblings are attending at the same time as the applicant, *the contribution from discretionary income is divided equally among them.*

For any particular sibling in a family, the expected parental contribution toward educational expenses is determined by this formula:

$$\left(\frac{\text{Maintenance}}{\text{contribution}}\right) + \left(\frac{\text{Discretionary income contribution}}{\text{Number of siblings in college}}\right)$$

As an example, the amount expected for the academic year expenses of a student from a three-child family with an adjusted effective income of $15,000 (which includes an expected contribution from discretionary income of $1,020) and with two children in postsecondary institutions would be calculated as follows:

$$\$1,150 + \$\frac{(1,020)}{2} = \$1,660$$

In other words, the $1,660 represents a contribution of $1,150 for the maintenance of the student plus $510 from family discretionary income.

When the student commutes

As described in the preceding section, the computed expected contribution from adjusted effective income comes from two different sources under CSS procedures: from the maintenance level of income and from the discretionary income of the family. In the case of a student living away from home, any contribution from discretionary income, plus that portion of family income assumed available for the continued provision of the basic necessities of life, will be available for educational and related expenses. Consequently, the total of the parents' expected contribution can be deducted from the institution's budget for a resident student, and the remaining amount could be considered as being needed from the institution or other sources.

If the student chooses to live at home and commute to a nearby institution, much of the $1,150 maintenance contribution (the amount that the family is assumed to have used to provide the basic necessities for maintaining the student at home for nine months) will continue to be required by the family and cannot be considered available for the payment of direct educational expenses. The family's expenditures for food will be reduced only by the meals that the student buys away from home; the family may continue to provide medical care as part of the family budget; and the amount the family would have given the student to purchase clothing will probably remain a part of the general family budget. Therefore, if the student lives at home and commutes to the campus, the parents will continue to provide many of the basic necessities of life, and an appropriate reduction in parental contribution should be made.

A financial aid administrator can handle the problem of parental support for the commuting student equitably in several ways. The essential element is to insure that the parents' total effort for expenses connected with the student is recognized – expenses incurred at home and expenses directly attributable to attendance at a postsecondary institution.

Option One. The financial aid administrator can include in the commuting student's budget amounts for tuition, fees, books and supplies, and the full $1,150 in expected maintenance, combining home maintenance and out-of-pocket expenses, as in the following example.

Tuition and required fees	Variable
Books and supplies	$ 150
Maintenance (room and board at home, on-campus meals, and miscellaneous personal expenses)	1,150
Transportation	Variable
Total	$1,300 plus tuition and fees, and local transportation

This option has the advantage of making it possible to use the same parents' contribution figure when dealing with either resident or commuter budgets.

Option Two. An alternative approach is for the financial aid administrator to choose to include in the expense budget for commuting students an amount for lunches and incidentals that constitute out-of-pocket expenses for the student and to exclude from the commuting student's expense budget expenses for necessities provided at home. This option will result in a reduction of the computed parents' contribution by the amount considered spent by the parents at home.

For example, in determining the need of commuting students many financial aid administrators have adopted the following approach.

First, a budget is constructed to include all actual cash expenses to the student. The parents' contribution is computed in the usual way and then reduced by $750 (or eliminated if it

BEST COPY AVAILABLE

is less than $750) to compensate for meals, laundry, and medical and other expenses still covered by the family at home. Student resources and savings from expected summer earnings are added in, and the total family contribution is deducted from the special commuting budget.

Tuition and required fees	Variable
Books and supplies	$150
On-campus meals	200
Miscellaneous personal expenses	200
Local transportation	Variable
Total	$550 plus tuition and fees, and local transportation

BEST COPY AVAILABLE

3. Computation procedures for the Parents' Confidential Statement

This chapter describes how the College Scholarship Service computes the expected parental contribution for dependent students according to the basic concepts outlined in Chapter 1 and the theory explained in Chapter 2. Computations described refer to the Parents' Confidential Statement (PCS) and to data reported on the Financial Need Analysis Report (FNAR). Those who use the Student's Financial Statement (SFS) to figure the expected parental contribution should follow similar steps.

The CSS, with advice from its Committee on Need Assessment Procedures and the guidance of the CSS Council, has developed standard procedures for centrally analyzing the information reported on the PCS. It is important that the financial aid administrator have a basic understanding of these procedures, since it is his responsibility to accept the need analysis or determine whether adjustments might appropriately be made at the institutional or agency level.

Computation of parents' contribution

The first series of steps relates to determining the parents' effective income.

Effective income:

Parents' taxable income
− *Business expenses*
+ *Parents' nontaxable income*
= *Total income (net income)*

Federal income tax paid
State income tax paid
Working spouse allowance
− *Medical and dental expenses*
Emergency expenses
Indebtedness
Other dependents
= *Effective income*

1. Total income (net income)

Total income is determined by adding all reported taxable and nontaxable income for both the father and the mother plus income from investments, business profits, or farm earnings for the calendar year (1973). For most families this total income also represents net income. For some families, however, determining "net" income involves making certain adjustments against taxable income for unreimbursed business expenses. The aid administrator can review expenses to determine if they are allowable by using the list of "Allowable business expenses."

Allowable business expenses (PCS item 9)

Salesmen, doctors, clergy, or if profession indicates necessity:
Cost of goods
Cost of office help
Cost of operating business car
Educational expense if job-related and income is shown
Entertainment
Equipment and supplies
Legal fees
Office or home office
Professional dues and literature
Promotional
Travel (*not* commuting)

Truck drivers, railroad and construction workers:
Living away from home expenses

Expenses on income-producing property:
Depreciation
Insurance
Interest
Taxes
Upkeep
Utilities

Miscellaneous:
Investment expense
Tools
Uniforms and work clothes
Union dues

Nonallowable business expenses (PCS item 9)

Commuting expenses
Contributions
Debts from personal charge accounts
Expenses on nonincome-producing property
General home repairs or improvements
Home mortgage payments
Income tax preparation
Interest expense
Living expenses away from home for family
Lunches
Medical insurance premiums and expenses
Self-retirement payments and self-employment taxes
Social security deductions
State and local taxes
Tithes
Unexplained expenses

The adjustment for unreimbursed business expenses is not readily apparent on the FNAR because the CSS has subtracted from taxable income the appropriate amount and only "net" income is printed. The financial aid administrator can determine that total income was adjusted by a review of the specific income items on the PCS.

In all cases when a family's unreimbursed business expenses are large enough to affect the parents' contribution by $100 or more, "unusual condition E" appears on the FNAR. This suggests that the financial aid administrator should review the business expenses to see whether they are allowable.

2. Effective income

Effective income is determined by subtracting from the family's "net" income an amount reflecting federal and state income taxes paid and categories of allowable expenses arising from unusual circumstances.

Federal income tax. Federal income tax is the first allowance against income. If the amount reported exceeds the standard federal income tax by 10 percent or if the family fails to provide the amount of taxable income or the federal tax paid, the CSS system computes a standard federal income tax. The CSS

BEST COPY AVAILABLE

assumes that the family uses standard deductions and considers the number of tax exemptions for 1973. The CSS distinguishes between taxable and nontaxable income and computes the tax on taxable income only. This method of calculating a standard tax can be approximated by the financial aid administrator by using Table A, "Federal income tax payments, based on standard deductions, by level of income and size of family (for one- and two-parent families)," with information provided on the PCS. Table B provides tax rates by level of taxable income.

State income tax. The CSS makes an allowance of state income tax for those families residing in one of the states that assess such taxes. If the amount reported exceeds the standard state income tax by 10 percent the CSS procedure disallows the reported amount and computes a standard state income tax. This is done by assuming standard deductions and the specific exemption values and rates of taxation for the family's state of residence.

The central computation procedure uses reported tax except when the tax reported exceeds standard tax by $1,090 or more, or when no tax is reported. A standard tax can be approximated by the financial aid administrator by using the family's taxable income and state of residence, referring to Table C, "Average state income taxes."

Working spouse. The CSS makes an allowance for two-parent families in which both parents are earning income. The allowance is equal to 50 percent of the wage, salary, or earnings of the parent who earns the smaller amount, up to $2,000 plus 25 percent of the amount over $2,000 to a maximum annual allowance of $1,500.

Medical expenses. An allowance is made for uninsured medical and dental expenses plus medical insurance premiums in excess of 5 percent of the "net" income. If the amount claimed by the family on the PCS for medical expenses will reduce the parents' contribution by $100 or more, the financial aid administrator will be alerted because "unusual condition F" (see Chapter 4) will appear on the FNAR. This is to suggest that the financial aid administrator should review the medical and dental expenses to see if they are allowable.

Emergency expenses. The CSS makes an allowance for emergency expenses incurred by the family. If the amount reported will reduce the parents' contributions by $100 or more, the PCS is reviewed to ascertain if the expenses are allowable according to the schedule of allowable expenses.

Allowable emergency expenses (PCS item 14)

Alimony payments
Cemetery lots (at time of need)
Child support (if not duplicated at item 5D)
Funeral expenses
Legal fees
Moving expenses (job-related and only over reimbursement)
Nursing home care (if not duplicated at item 5D)
Sewer, street, and water assessment (installation only)
Termite control including damage repair
Uninsured natural disasters not covered by insurance (flood, fire, storm damage, etc.)

Nonallowable emergency expenses or indebtedness (PCS items 14 and 22)

Appliance purchases
Balance due on personal charge accounts for food, clothing, and the like
Car payments or repairs
Charge accounts on installment purchases
Child care
Commuting-to-work expenses
Contributions to charities, churches, or other nonprofit organizations
Cost of lunches bought away from home
Debts incurred in a presently functioning business
Furniture purchases
Housekeeping expenses for working mother
Living away from home expenses
Living expenses of family members, including food, clothing, and the like
Minor repairs to personal property
Mortgage payments on family home
Personal taxes (real estate property, income, or expenses)
Premiums for insurance other than medical (see allowable expenses)
Real estate taxes on nonincome-producing property
Retirement payments, whether made to social security program, state or company plan, or personal plan
Routine home repairs, such as maintaining plumbing and electrical and heating systems, and painting
Schooling expenses for children
Tithes
Travel expenses (judgment exercised)
Unexplained items, when explanation is requested on PCS
Unpaid taxes and accident costs
Vacation expenses
Wedding, confirmation, and Bar Mitzvah

Indebtedness. The CSS makes an allowance against income only in cases where the family's allowable indebtedness exceeds its total assets. The allowable excess indebtedness is divided by three, and the result is entered on the FNAR as an indebtedness allowance. This division permits the total excess indebtedness to be amortized over a three-year period. The letter "T" is entered in the "Classification" box to call attention to this allowance.

Allowable indebtedness (PCS item 22)

Encumbrances (second mortgage, lien, personal loan for down payment, etc.)
Funeral expenses
Indebtedness (loan or margin account) to purchase investment listed in item 20
Legal fees
Living expenses if business failure, prolonged illness, unemployment, etc. have depleted assets and forced indebtedness
Past business debts – business dissolved and parent *personally* responsible for repayment
Past educational indebtedness for parents' education

BEST COPY AVAILABLE

Past medical and dental expenses
Past moving expenses
Personal debt to purchase business
Uninsured natural disaster not covered by insurance (flood, fire, storm damage, etc.)

(For nonallowable indebtedness, see "Nonallowable emergency expenses or indebtedness" above.)

Other dependents. A standard allowance of $600 is made for each dependent, other than children, reported on the PCS. This may be the student applicant's uncles, aunts, grandparents, or other relatives supported by the parents. The aid administrator may want to review the PCS to determine whether the standard allowance figure is related to the actual amount reported by the family. In cases where actual support may differ from the $600 standard, an adjustment may be appropriate. This may be especially true when expensive nursing care or medical expenses (if they are not otherwise reported) create an excessive financial burden on the family finances.

All the allowances listed above are then totaled and subtracted from the "net" income to derive the effective income.

It is up to the financial aid administrator to accept or alter the CSS central treatment of allowances. It may be felt that an explanation provided by the parents on the PCS is adequate, or other information may exist that would have bearing on the family's circumstances. In such cases, the financial aid administrator should appropriately adjust the PCS entry and recalculate the FNAR.

3. Net worth

An analysis of the parents' assets is the next step to determine net worth. It includes consideration of residence equity, other real estate, worth of business or farm, cash and bank accounts, and other investments, with special consideration for indebtedness.

Residence equity. The residence equity entered on the FNAR represents the difference between the "estimate of present market value" and the "unpaid mortgage principal" of the family's home.

Other real estate. The CSS determines the value of the other real estate in the same manner that it determines residence equity. But in those cases where the family reports other real estate with an equity of $20,000 or more, and there is no entry on the PCS for "other taxable income," the CSS reviews the PCS for an explanation and, if none is found, writes to the family requesting further information or explanation.

Business or farm. The net worth of the business or farm, carried forward from Supplement A or B, is determined by subtracting the total indebtedness of the business or farm from its total value. The result is then multiplied by the percent of ownership. The resulting figure is entered on the FNAR.

A negative number is never entered; nor is excess business indebtedness ever placed in the indebtedness section of the FNAR, which is used for indebtedness as an allowance against income.

Cash and bank accounts. Cash and bank accounts are entered on the FNAR as reported on the PCS. If the total reported is $20,000 or more and there is no interest entry reported on the PCS, the CSS reviews the PCS in the same manner as is done for "other real estate."

Occasionally families report restrictions against bank accounts for life insurance or pending expenses, or other accounts reserved for the care of retarded or handicapped children. While the CSS cannot recognize such individual circumstances in its central procedures, the aid administrator may wish to exercise his judgment in considering such situations.

Other investments. Other investments are entered on the FNAR as reported on the PCS. The CSS review is identical to that performed for "cash and bank accounts" and "other real estate."

Debt outstanding. The CSS makes an allowance for indebtedness by reducing the family's total assets by the amount listed on the PCS. If the amount of indebtedness does not exceed total assets but will reduce the parents' contribution by $100 or more, the amount of indebtedness is reviewed by the CSS for allowable debts. If, after review, the debts outstanding are allowed, the appropriate amount is subtracted from total assets.

If the amount of indebtedness exceeds the family's total assets, the entry is reviewed. In such cases, where the indebtedness is allowable, the CSS divides the excess indebtedness by one-third, shows this amount in the computation of effective income section of the FNAR under indebtedness, and subtracts the amount from "net" income. In addition a "T" is printed in the FNAR classification box to bring this condition to the attention of the financial aid administrator.

Net worth. After the indebtedness has been subtracted from the family's total assets, the remainder represents the family's net worth and is shown on the FNAR. There is a zero "net worth" entry on the FNAR in cases where indebtedness exceeds total assets.

Debt outstanding:
Family assets
− Indebtedness
= Net worth

4. Income supplement

The income supplement is determined by subtracting the appropriate retirement allowance from net worth and using a conversion ratio to prorate discretionary net worth over the estimated remaining life-years of the primary working parent.

Income supplement:
Net worth
− Retirement allowance
= Discretionary net worth
× Conversion percentage
= Income supplement

One further step is necessary before the discretionary portion of net worth can be determined. The CSS recognizes that one of the reasons families accumulate assets is to provide for retirement needs because social security insurance provides only a portion of the income needed to retire at a comparable "moderate" retirement level.

To preserve that portion of family assets needed to provide

BEST COPY AVAILABLE

retirement income, the CSS makes an allowance against net worth (Table 1). With social security as the most common retirement plan, the allowance is the dollar amount required to purchase a fully paid annuity to provide the needed amount of supplementary income at age 65, assuming that the annuity is purchased at the present age of the primary working parent. The allowance varies from $6,400 for a male, aged 40, to $16,100 for the same man at age 65. For a family in which the mother is the sole source of financial support, the allowance would be $8,600 at age 40, and $20,200 at age 65.

Table 1. Retirement allowances

Age	Two-parent family (father's age)	One-parent family (mother's age)
40	$ 6,400	$ 8,600
41	6,500	8,800
42	6,700	9,100
43	6,900	9,300
44	7,100	9,600
45	7,400	9,900
46	7,600	10,200
47	7,800	10,500
48	8,100	10,800
49	8,300	11,100
50	8,600	11,500
51	8,900	11,800
52	9,200	12,200
53	9,500	12,500
54	9,900	13,000
55	10,200	13,500
56	10,600	14,000
57	11,100	14,500
58	11,500	15,000
59	12,000	15,600
60	12,600	16,200
61	13,100	16,900
62	13,800	17,600
63	14,500	18,400
64	15,300	19,200
65	16,100	20,200

The CSS derives the income supplement by subtracting an appropriate retirement allowance from the net worth. If the family has sufficient remaining assets after provision of a retirement allowance, a portion of the remaining assets is considered available. To arrive at the income supplement, the CSS multiplies the net worth by a conversion coefficient determined by the age of the head of the household—the father in a two-parent family or the mother in a one-parent family. If the family assets are not sufficient to provide for the retirement allowance, this fact is recognized through the use of an inverse coefficient which produces a negative income supplement. This amount is then subtracted from the family's effective income to compensate for their lack of necessary assets.

The percentage of discretionary net worth that is assumed to be converted to annual income supplement is shown in Table 2 by age and family status and reflects revisions based on available economic data. The percentage differs according to whether the discretionary net worth is positive or negative.

Table 2. Conversion of discretionary net worth

	Percent of discretionary net worth			
	Male, head of household		Mother, sole support	
Age	Negative	Positive	Negative	Positive
40–44	7	12	3	7
45–49	9	11	4	6
50–54	10	10	5	5
55–59	11	9	6	4
60 and above	12	7	7	3

When the family assets are not sufficient to provide for adequate retirement at the moderate level, an allowance is granted against effective income. This negative income supplement is determined by taking the age of the head of household or the sole support and finding the appropriate inverse conversion ratio in Table 2. The CSS uses an inverse percentage because the younger the individual the greater number of working years remains to accumulate the assets necessary for retirement at a moderate level of living.

The financial aid administrator may calculate the income supplement, given the family's net worth and the primary working parent's age, using Table [illegible], "Income supplement table" (for two-parent and one-parent families).

5. Adjusted effective income

Adjusted effective income:

Effective income
+ Income supplement
= Adjusted effective income

The adjusted effective income is the sum of the effective income and the income supplement.

6. Maintenance and discretionary income contribution

The final step in the computational procedures is to determine the expected parents' contribution figures from Table E, "Total parents' contribution from adjusted effective income, by size of family," by using the adjusted effective income and the number of dependent children in the family.

The CSS uses formulas based on the Bureau of Labor Statistics average standards of living budgets (presented in Chapter 2) to derive the parents' contribution from "adjusted effective income." The FNAR entries are divided to show that portion of the parents' contribution considered to be available for the applicant's continued maintenance, and the total amount of parents' contribution available from the family's discretionary income. The maintenance contribution represents the amount of money available for the student's support during a nine-month period.

The contribution from discretionary income is figured by multiplying the adjusted effective income above the moderate

BEST COPY AVAILABLE

level by using the rates provided in Table 3.

Table 3. Expected contributions from discretionary income

Discretionary income	*Expected contribution rates*
Not over $1,000	25% of discretionary income
$1,000 to $2,000	$ 250 plus 29% of all over $1,000
$2,000 to $3,000	$ 540 plus 34% of all over $2,000
$3,000 to $4,000	$ 880 plus 40% of all over $3,000
$4,000 to $5,000	$1,280 plus 47% of all over $4,000
$5,000 to $6,000	$1,750 plus 55% of all over $5,000
$6,000 or more	$2,300 plus 55% of all over $6,000

The contribution from discretionary income is then divided by the number of siblings in the family who will be attending a postsecondary institution during the next academic year, and the result is added to the applicant's maintenance contribution to derive the total *parents'* contribution for the applicant. When only one child attends, the total contribution from discretionary income is available for his support.

When the "adjusted effective income" of the family is such that a negative parents' contribution results, two computation lines will be shown on the FNAR *in this section. The first line is the regular* CSS *computation, which shows the negative contribution as a minus dollar amount; the second line, the alternative computation, shows the parental contribution as zero.*

Applicant's contribution

Applicant's savings from summer earnings. The CSS enters a standard expectation from a student's savings from summer earnings. The schedule of expected savings is as follows.

	Men	*Women*
Prefreshman	$400	$300
Presophomore	500	400
Prejunior	600	500
Presenior	600	500

Adjustments can be made by the financial aid administrator when it is known that a student is either able to save more than the amount expected or is unable to work or save during the summer months. Financial aid administrators must be especially sensitive to situations in which depressed wages or lack of summer jobs (often in urban areas with high concentrations of unskilled workers) make the CSS standard summer savings expectation unrealistic. In many instances, students from low-income families may use savings from summer earnings to assist in supporting the family. In such situations, the aid administrator will find it necessary to eliminate the amount shown on the FNAR, increase the need figure, and consider providing additional financial aid.

Applicant's assets. The CSS divides the applicant's total assets from sources such as savings, cash gifts, and inheritances by the number of years of college remaining, and enters the result on the FNAR. Thus, a prefreshman applicant's assets would be divided by 4, a presophomore's by 3, and so on.

Applicant's social security benefits. The CSS multiplies the amount of the applicant's social security payment per month by 9 (months in the normal academic year) and enters the figure on the FNAR.

Applicant's veterans-GI Bill benefits. The CSS multiplies the applicant's veterans-GI Bill payment per month by 9 (normal academic year) and enters this figure on the FNAR.

Applicant's other benefits. The CSS multiplies the applicant's other monthly payments (vocational-rehabilitation payments, war orphan benefits, and other similar types of assistance programs) by 9 (normal academic year) and enters the result on the FNAR.

The total *family* contribution is figured by adding the total parents' contribution to the applicant's assets and benefits.

Student expense budgets

The final computational steps deal with institutionally provided expense budgets and the CSS-estimated financial need.

The CSS enters on the FNAR the expense budgets supplied by the specific institution for which the analysis is being done. If the institution did not supply budgets, this entry, as well as the "estimated financial need," remains blank on the FNAR.

Because the system recommended by the CSS for estimating how much families and students should contribute includes the funds normally utilized for basic maintenance of the student, the expense budget should include – in addition to tuition, fees, room, and board – a reasonable amount for books, clothing, laundry, recreation, personal expenses, and travel. For these additional items the financial aid administrator may wish to include $500 to $600 in the budget.

Travel expenses normally vary widely and are sometimes difficult to include in the budgets listed with the CSS. But the total budget used by the institution in setting awards should include this cost. Many financial aid administrators use a standard allowance of the cost of 1½ or 2 round-trip fares, depending on whether rides can be shared.

The budget for a commuting student differs from that of a resident student because of the absence of room and board charges. Commuter budgets must take into account an amount to cover the cost of meals eaten away from home as well as necessary transportation to and from the campus. In addition, consideration should be given to students from low-income families where any assistance from the family toward the cost of meals might be nonexistent.

Estimated financial need

The CSS enters as the "estimated financial need" the calculated difference between the "total *family* contribution" and the "institutional expense budget" for each recipient of the PCS and FNAR. If the family contribution exceeds the student expense budget, a zero is entered.

31-506 O - 74 - 8

BEST COPY AVAILABLE

4. Procedures for processing the PCS

The PCS is designed to be completed by the parents of financial aid applicants. Since 1954 a document similar to the present PCS has been distributed to financial aid applicants, permitting a family to complete a single financial statement that is objectively analyzed, copied, and distributed to all postsecondary education institutions and agencies to which a student is applying. This procedure makes it possible for a student's financial need to be analyzed in a consistent and objective way, regardless of the institution he attends.

The PCS form is distributed to parents through high schools, postsecondary education institutions, and scholarship agencies as a part of the PCS *Booklet*, which also includes instructions for filling out the form, a filled-in sample form, work sheets for the parents to keep, and separate supplement sections. Supplement A is to be completed by parents who own all or part of a business; Supplement B, by farm or ranch owners, operators, or farm tenants. Copies of the completed PCS, copies of important supportive material filed with the CSS by the parents of the student, and the analysis of the PCS are sent to the postsecondary institutions, schools, and scholarship programs named by the student to receive the PCS. Parents receive an acknowledgment of the receipt of the PCS at the processing center.

The completed PCS provides those who use it with information on family income, unusual expenses, family and business assets, and indebtedness. It also contains a certification and authorization statement in which the parents may be requested to provide verification of information by means of an official copy of their latest income tax return or other appropriate documentation.

Institutions and agencies using the PCS generally include a statement in their catalog, financial aid leaflet, or application materials describing their financial aid program. These statements usually cover four specific points:

1. Student expenses
2. Purpose of the financial aid program
3. Resources available
4. Procedures for applying for financial aid

A sample statement that institutions may wish to consider adapting for inclusion in their catalog is given below.

"*Purpose of financial aid program.* [illegible] stributing funds according to need, (institution's name) [illegible] nancial aid program makes it possible for the greatest number of students, regardless of their financial circumstances, to continue their education. Currently, more than ___ percent of all enrolled students receive some form of financial aid from _____.

"*Available financial aid resources.* In addition to its own funds, _____ participates in all federal programs. Residents of (name of state) are also eligible to receive state scholarship and loan awards. (Specific scholarships, loan funds, etc. administered by an institution are usually described here.) Last year, _____ awarded $ _____ in total aid.

"Students applying for financial aid are considered for all programs for which they are eligible. The amount of financial aid awarded is generally a combination of grant, loan, and employment. The amount of the award is based on the financial need of the student. Need is determined by subtracting the resources of the student and his parents' contribution from the total student expenses. The parents' contribution is estimated on the basis of the amount of their income and assets as well as a consideration of taxes, medical expenses, and other liabilities of the family. An independent, objective, nationally recognized method developed by the College Scholarship Service is used to analyze the family's financial circumstances. All financial aid awards to students are determined by the _____ Office of Financial Aid.

"*Procedures to follow when applying for financial aid.* Students should apply for financial aid by (date). Students who are currently living with their parents or guardians and who were claimed as a dependent for the previous calendar year should also submit a Parents' Confidential Statement (PCS) to the College Scholarship Service by (date). The PCS may be obtained from the high school guidance counselor or by writing to the Office of Financial Aid.

"Partially or completely self-supporting students as well as currently enrolled students receiving financial aid should complete the Student's Financial Statement (SFS) and submit it to the College Scholarship Service by (date). The SFS is available from the Financial Aid Office. Students should specify (code number) for (institution's name) in the appropriate place on the PCS and SFS.

"A letter explaining the award decision and giving information about the aid offered will be sent to each student who applies.

"A student must reapply for financial aid each academic year. However, aid usually continues at the same level each year, unless a student's resources or his parents' expected contribution changes. All enrolled students receiving aid automatically get information on how to apply for renewal awards. Other students should request applications by (date)."

Institutional Estimate of Student Expenses

Any postsecondary institution can use CSS need analysis services. The first step is generally to complete an Institutional Estimate of Student Expenses (IESE). Upon completion of this form, institutions will be assigned a CSS code number if the institution does not already have one and the CSS file will be revised to include student budget data reported by the institution. A sample form is provided in Figure 1.

This form has been designed to provide financial aid administrators with the utmost flexibility. The financial aid administrator can enter up to 4 budgets for dependent students and 10 budget items for self-supporting students. Although each entry box is labeled, the financial aid administrator can complete the form to meet his individual institutional needs. For example, if the distinction "out-of-state" is not important, costs for half-time study or costs for special programs could be entered in that box.

The IESE can be submitted at any time, and the institution can update its student budget as often as necessary. By using these data, the CSS is able to calculate a student's financial need at the particular institution.

BEST COPY AVAILABLE

Figure 1. Institutional Estimate of Student Expenses

INSTITUTIONAL ESTIMATE OF STUDENT EXPENSES FOR ACADEMIC YEAR 1974-75

(See reverse side for instructions.)

GENERAL INFORMATION The Institutional Estimate of Student Expenses (IESE) should be completed by the director of financial aid or the individual at your institution who receives processed Parents Confidential Statements (PCS) and Student's Financial Statements (SFS).

You may change the estimates you submit at any time. The College Scholarship Service (CSS) assumes the data are for 1974-75. If you do not have firm cost figures yet, you will need to revise the figures currently on file at a later date. Changes, which should be sent in writing to the CSS, will be reflected on your Financial Need Analysis Reports (FNAR) and Student's Financial Need Analysis Reports (SFNAR). However, it is not possible to include changes made after January 15, 1974, in the publication *Student Expenses at Postsecondary Institutions*, until the next printing. The most recent budgets submitted are used to determine stipends for sponsored scholarship programs administered by the CSS.

(1)

XYZ UNIVERSITY
Exact Name of Institution

P. O. Box 7368
Address

Grant, Nebraska 00038
City, State, Zip Code

(2)

Please enter your code number: 8787
CSS College Code No.

If you plan to use the PCS or SFS but do not have a code number, please check here. ☐

Name and Title J. J. Jones, Director of Financial Aid

Signature J. J. Jones Date 10/10/73

(3) **Guidance Information.** This information will be used in the publications *Student Expenses at Postsecondary Institutions, 1974-75* and *The College Handbook*, and also by the College Locator Service.

Please estimate for your normal academic year	FIRST YEAR BUDGETS: Resident	Commuter	Out of State	12 Month Self Supporting
Tuition and fees	450	450	1250	800
Room and board	1010	600		1580
Other expenses	550	400		650
Transportation	50	160		250

(4) **Institutional Budgets–Dependent Student.** These budgets will be used by the CSS to compute need analysis reports for all students filing the PCS and for students filing the SFS who have been determined to be dependent. In addition, these budgets will be used to set stipends in sponsored scholarship programs administered by the CSS.

	Resident	Commuter	Out of State	Other
Total first year expense	2060	1610	2860	2960
Total second year expense	2060	1610	2860	2960
Total third year expense	2100	1650	2900	3000
Total fourth year expense	2140	1690	2940	3040

(5) **Institutional Budgets–Self Supporting Student.** These budgets will be used to compute need analysis reports for students filing the SFS who have been determined to be independent.

	NINE MONTHS: Column (1)	Column (2)	TWELVE MONTHS: Column (1)	Column (2)
Total tuition, fees, books, and supplies	580	1400	800	1620
* Budget for single student	2400	3220	3280	4100
* Budget for couple	4200	5020	5650	6470
* Budget for couple and one child	4700	5520	6300	7120
* Budget for couple and two children	5600	6420	7500	8320
* Budget for couple and three or more children	6300	7120	8200	9020

*Be certain to include tuition, fees, books, and supplies.

(6) **CSS Options**

A. Do you want your institution's budgets and students' financial need printed on your Financial Need Analysis Report (FNAR)?
1 ☒ Yes 3 ☐ No

B. Do you want to receive Financial Need Analysis (FNA) and Student's Financial Need Analysis (SFNA) punched cards?
1 ☒ Yes 0 ☐ No

Check options C and D only if you responded "yes" to option B above.

C. Do you want the negative parental contribution instead of the alternate contribution shown on your FNA and SFNA cards?
1 ☒ Yes 0 ☐ No

D. Check the two estimates of need you want to appear on the FNA cards. If none are checked, resident and commuter estimates will be used.
1 ☒ Resident 3 ☒ Out of state
2 ☐ Commuter 4 ☐ Other

E. Date by which you ask students to submit the PCS or SFS to the CSS
Month March Day 15

F. Check the one budget you wish to be used for Phase I of the Institutional Summary Data Service.
1 ☒ Resident 2 ☐ Commuter

G. Check the boxes that best describe the type and control of your institution.

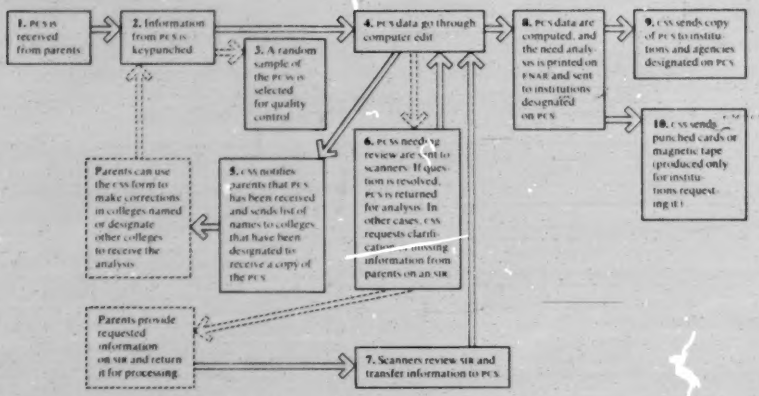
Type (Check one.)	Control (Check one.)
1 ☐ Two year or less	1 ☒ Public
2 ☒ Four year	2 ☐ Private
3 ☐ Graduate/Professional	3 ☐ Proprietary

Return this form to:
COLLEGE SCHOLARSHIP SERVICE
Box 176
Princeton, New Jersey 08540

I-N 218 148

BEST COPY AVAILABLE

Figure 2. Steps in processing the PCS



Central processing procedures for the PCS

Figure 2 presents a step-by-step description of the CSS central need analysis service, from the time the PCS sent by the parents arrives at the processing center to the time copies of the PCS and the FNAR are mailed to the institution or agency. Boxes that are made of broken lines indicate that the step is initiated by the parents, not by the CSS. Arrows made of broken lines show that the step to which the arrow leads occurs only sometimes, not in all cases.

1. The PCS is received from the parents by the CSS. The filled in PCSs are stamped with the date of receipt on the upper right-hand corner of page 1 and validated for the amount of the processing fee received. Each PCS is reviewed to determine if a four-digit CSS code number has been listed for each institution or agency designated to receive a copy of the PCS and the analysis. If the code has not been provided by the family, the CSS fills in the appropriate code numbers.

2. PCSs are forwarded for keypunching. Information used in the computation of the total family contribution is keypunched and verified.

3. A random sample of the PCSs is selected for quality control. This procedure reveals any problems in the processing system and provides a measure of the turnaround time.

4. The data from the PCS are then edited, using fixed parameters which serve as checks and balances to insure that the data used in the analysis are documented or explained.

5. A form is produced by the CSS and sent to parents, acknowledging receipt of the PCS for the student applicant. The Acknowledgment shows the names and code numbers of the institutions or scholarship agencies designated to receive the PCS. A Correction Stub, which allows parents to correct any inaccurate code numbers they may have entered on the PCS and an Additional College Request form (so that additional institutions and agencies can be designated to receive the PCS) are also a part of the Acknowledgment. Parents are not charged an additional fee for the correction of erroneous code numbers. The Acknowledgment form is shown in Figure 3.

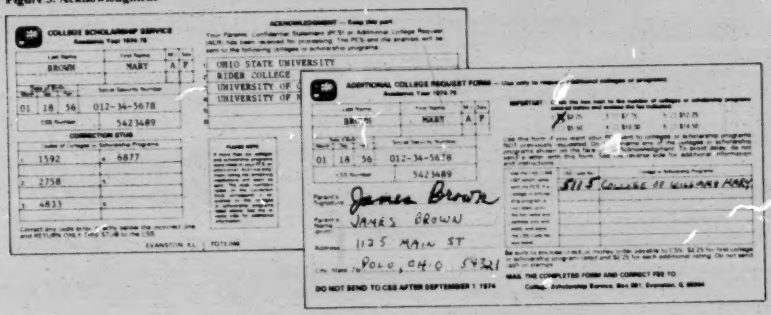
6. A Supplementary Information Request (SIR) form (see sample case on page 36) is produced for PCSs that are incomplete or have conditions requiring internal review. A message is printed on the SIR for each PCS item requiring review.

If a questioned entry can be resolved by clerically reviewing the PCS, the correct data are noted on the SIR. In some instances questions concerning the PCS entries cannot be resolved by clerical review. In these cases a copy of the SIR is sent to the parents, requesting the necessary information.

If, because an SIR had to be sent to the parents, complete processing of a PCS is delayed for 15 days or more, a PCS Delayed in Processing Report is automatically prepared and mailed to the financial aid administrator at each institution or scholarship program designated as a recipient. The Delayed in Processing Report gives the financial aid administrator the names of those students who specified that institution as a recipient of the PCS but whose PCSs have been delayed in processing. A student's name is dropped from the next report following the completion of processing. A facsimile of this

BEST COPY AVAILABLE

Figure 3. Acknowledgment



The CSS requests additional information from parents when:

PCS item 1 – Applicant's name	Name is missing or illegible.
PCS item 1 – Applicant's date of birth	Date of birth is missing or illegible.
PCS item 2 – Institutions and scholarship programs	Name of an institution or scholarship program is illegible, or no entry appears.
PCS item 6 – Business or farm ownership	"Yes" is checked, indicating farm or business ownership, but appropriate supplement is not submitted with PCS.
PCS item 7A – Father's salary	1972 and 1973 income are not listed, and no explanation is given elsewhere on the PCS.
PCS item 7A – Mother's salary	1972 and 1973 income are not listed, and no explanation is given elsewhere on the PCS.
PCS item 7B – Dividends and interest	A total of $20,000 or more is listed in PCS items 19 (cash, savings and checking accounts) and 20 (other investments), but no income is given in item 7B.
PCS item 7C – Net profit business or farm	PCS indicates farm or business ownership, but 1973 income is not listed and no explanation is given.
PCS item 7D – Other taxable income	The parents list real estate other than the family residence with an equity value of $20,000 or more in PCS item 18 but report no income in item 7D. *or* Family status indicates mother sole support, separated or divorced, but no income from child support or alimony is shown and no explanation is given.
PCS item 11A – Social security benefits	Family status indicates mother sole support, but social security benefits are not reported and no explanation is given.
PCS item 11D – Other nontaxable income	Family status indicates mother sole support, separated or divorced, but no income from child support or alimony is shown and no explanation is given.
PCS item 27A – Applicant's social security benefits	Family status indicates mother sole support, but social security benefits are not reported and no explanation is given.

BEST COPY AVAILABLE

Figure 4. Delayed in Processing Report

PARENTS' CONFIDENTIAL STATEMENTS DELAYED IN PROCESS FOR COLLEGE CODE 1000 PAGE 1
AS OF 05/15/74

LAST NAME	FIRST NAME	M I	S X	DATE OF BIRTH	SOCIAL SECURITY	YR CL	TYPE	ETS OFF	DATE RECEIVED	DATE OF SIR	BATCH ID NO.
DOE	KAREN	M	2	03 25 56	982453751	1	ORIGINAL	PO	10 31	11 10 73	1311201
JONES	BONNIE	L	2	09 14 56	063543372	1	ACR	PO	4 6	4 14 74	2881313
SMITH	JOHN		1	04 20 53	074438333	3	REVISED	PO	4 13	4 15 74	2951450
YATES	JOAN	R	2	05 08 55	163448994	1	ORIGINAL	PO	3 25	3 31 74	2763016

TOTAL NUMBER OF SIR RECORDS FOR COLLEGE CODE 1000 IS 4

report is shown in Figure 4. Many aid administrators get in touch with students whose names appear on this report to bring their attention to the fact that information is needed to continue processing their PCS.

7. The scanners who review the PCS and SIR transfer the appropriate clarification to the PCS and identify it by the notation "CSS."

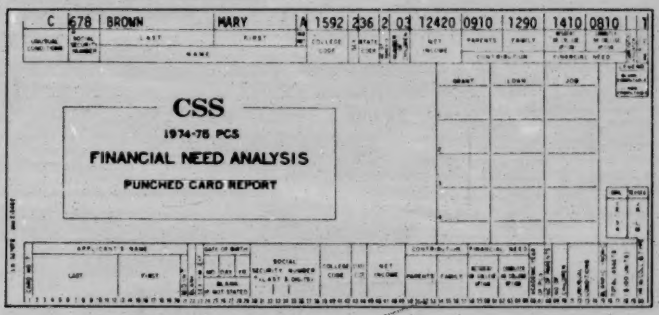
8. A Financial Need Analysis Report (FNAR) is produced initially only for PCSS that contain no conditions that would require further review. The FNAR contains the current analysis, as well as any previous years' analyses, of the PCS with all significant information used in the computation.

Once missing data or clarification needed in the computation have been noted on the PCS, FNARS for PCSS requiring review are produced and sent to the designated institution or agency. Financial aid administrators are encouraged to review the FNAR to consider whether individual circumstances warrant adjustments in the figure suggested as the expected contribution. Figure 5 is a FNAR showing the computation procedures.

9. After the FNAR has been prepared, a copy of the PCS is produced for each designated institution or scholarship program, so that the complete original information provided by the parents can be available for analysis by the aid administrator. The financial aid administrator can review the data provided on the PCS to determine if any adjustment in the CSS computation is needed.

10. A PCS Financial Need Analysis (FNA) Punched Card

Figure 6. FNA punched card



BEST COPY AVAILABLE

Figure 5. FNAR showing sources of information and method of computation

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-1975
CONFIDENTIAL

NAME OF APPLICANT			SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	No. Par	No. Child	CLASS 4	COLLEGE CODE	Rev	DATE PRINTED	UNUSUAL CONDITIONS 4 4	CSS Identification No
LAST	FIRST	M											
ITEM 1A			1A	1B	1C	1E	ITEM 1F 1974	SEE BELOW	ITEM 2		DATE FNAR PRODUCED	SEE BELOW	STAMPED ON PCS

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	WORKING SPOUSE	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1										
2	TOTAL OF 1973 ITEMS 7A, 7B, 7C, 7D MINUS ITEM 9 + 11A, 11B 11C, 11D	ITEM 15 OR TABLE A	ITEM 16 OR TABLE C	50% OF FIRST $2000 PLUS 25% OF BALANCE OF THE LESSER INCOME AT 10-19 AND OVER TIMES TO A MAXIMUM OF $1500	ITEM 13 in EXCESS OF 5% OF NET INCOME	ITEM 14	ONE THIRD FACTOR OF DEBT OUTSTANDING OVER TOTAL ASSETS	ITEM 9D FOR 1973 TIMES $600	TOTAL OF TABLE B AND ALLOWANCE LISTED	NET INCOME MINUS TOTAL ALLOWANCES
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	CASH AND BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1									
2	ITEM 17 MARKET VALUE MINUS UNPAID MORTGAGE	ITEM 18 MARKET VALUE MINUS UNPAID MORTGAGE	ITEM 21A MINUS ITEM 21B TIMES 21C	ITEM 19	ITEM 20	TOTAL OF EQUITY AND OTHER ASSETS	ITEM 22	TOTAL ASSETS MINUS DEBT OUT-STANDING	AMOUNT FROM TABLE D APPLIED TO NET WORTH INC. SUP.
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COL.	PARENTS CONTRIBUTION FOR APPLICANT	APPLICANT'S ASSETS AND BENEFITS: SUMMER SAVINGS	ASSETS	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
ITEM 10	EFFECTIVE INCOME PLUS INCOME SUPPLEMENT	TABLE 27 MAXIMUM OF $1100	TABLE E AMOUNT IN EXCESS OF $1100	ITEM 5C	MAINTENANCE (ITEM 7 + ITEM 8) LIMITATIONS (ITEM 5C)	VERSUS	ITEM 3D A + B + C + D MINUS ITEM 10	ITEM 27A TIMES 9	ITEM 27B TIMES 9	ITEM 27C TIMES 9	TOTAL PARENTS CONT. AND APPLI. CONT. LESS BENEFITS AND BENEFITS

INSTITUTIONAL BUDGETS

YEAR	RESIDENT	COMMUTER	OUT-OF-STATE	OTHER
1				
2	AS PROVIDED BY POSTSECONDARY INSTITUTIONS ON FILE			
3				
4				

ESTIMATED FINANCIAL NEED

RESIDENT	COMMUTER	OUT-OF-STATE	OTHER
SEE BUDGETS MENU TOTAL FAMILY CONT.			

4 CLASSIFICATION

1 = Two-parent family
2 = Separated or divorced two-parent family
3 = Father sole support
4 = Mother sole support, father deceased
5 = Mother sole support, separated or divorced
6 = Unusual conditions, CSS identification number analysis
M = Married applicant
R = Business or farm case
T = Family indebtedness analysis case

4 4 UNUSUAL CONDITIONS

A = No federal tax reported for 1973 standard tax used
B = Federal tax reported for 1973 [illegible] tax used
C = Federal tax for 1972 available reported tax for 1974 or more [illegible] tax used
D = Income for 1972 differs by $1,000 from 1973 income, supplied revised
E = Business or profession reduces income by $1,000 or more supplied revised
F = Medical expenses reduce income by $1,000 or more supplied revised

INSTITUTIONAL ESTIMATE

1. Institutional budget
2. Institutional adjustment
3. TOTAL BUDGET
4. Parents contribution
5. Applicant's summer savings
6. Applicant's assets
7. Applicant's benefits
8. TOTAL CONTRIBUTION
9. FINANCIAL NEED (line 3 minus 8)

FINANCIAL AID AWARD

GRANT

LOAN

JOB

Copyright © 1975 by College Entrance Examination Board
All rights reserved. Printed in U.S.A.
1 N 376129

BEST COPY AVAILABLE

Figure 7. FNAR line 1

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-1975

NAME OF APPLICANT LAST	FIRST	M	SEX	DATE OF BIRTH			SOCIAL SECURITY NUMBER			No Par	No Chld	CLASS #	COLLEGE CODE	Prev	DATE PRINTED	UNUSUAL CONDITIONS **			CSS identification No
BROWN	MARY	A	F	01	18	55	012	34	5678	2	3	1			11-18	C			5423489

Reports containing most of the basic computational data used in the production of the FNAR, may also be produced if the financial aid administrator requests such reports before the start of a processing year. FNA punched cards are offered at no charge. In addition to providing input for a data-processing system, the card is useful as a master file card on which aid decisions, federal-reported information, and other data may be recorded. The punched card reports can serve as a major control document and data source in the financial aid office. Aid administrators have an option of requesting that either the negative contribution or the alternate contribution figure be shown on the FNA punched cards. Figure 6 is a sample punched card with a description of the layout showing key data from the FNAR.

Magnetic tape containing both input data and the analysis is available at a nominal fee. A description of this service is available from the CSS.

Institutions for which at least 25 PCSS were processed are sent summary data on all their filers. This supportive service is called the Institutional Summary Data Service (ISDS) and is designed to assist financial aid administrators in evaluating institutional aid policies and practices and to assist them in applying for funds. Phase I of ISDS is free. For more expansive data about award packages and other information needed in reporting aid expenditures, institutions can participate in Phase II of ISDS. A description of ISDS is sent to institutions each fall by the CSS.

Members of the CSS Assembly can also request overlap rosters. This service provides groups of two or more colleges with the opportunity to receive rosters of all applicants who filed a PCS with the CSS and named two or more colleges within the group to receive a transcript.

Reviewing the FNAR

The Financial Need Analysis Report is sent by the CSS to each institution or agency designated on the PCS. The FNAR provides the financial aid administrator with a detailed calculation of the family's ability to contribute to education costs. Institutions that have submitted budget costs also receive figures indicating a student's financial need at that institution.

The following discussion should help aid administrators understand the FNAR, so that they can make adjustments in the computation.

Applicant identification (line 1)

Figure 7 is an example of line 1 of the FNAR for Mary Brown. The CSS enters identification information, including the student's name, sex, date of birth, and social security number. If the sex is not indicated on the PCS and cannot be determined from the name, the CSS assumes male. This assumption affects the amount expected from summer earnings, so the aid administrator may want to review that computation. When the birth date or social security number cannot be determined, this space on the FNAR is left blank.

The number of parents in the family is the next reported item. This number alerts the aid administrator to the procedures used by the CSS in the treatment of assets. If the figure is 0, no working spouse allowance would be computed. The number of parents in the family is also used in computing the federal tax.

The number of children in the family is important because it is used in determining the appropriate Bureau of Labor Statistics moderate-standard level of living. Financial aid administrators will use the number of dependent children to find the expected parental contribution from Table E.

The CSS calls to the attention of the aid administrator certain special conditions that should receive his particular attention, indicated by a code in the "Classification" box on the first line of the FNAR.

1 – Two-parent family
2 – Separated or divorced, two-parent family
3 – Father sole support
4 – Mother sole support, father deceased
5 – Mother sole support, separated or divorced
6 – Unusual conditions – CSS recommends individual analysis
M – Married applicant
R – Business or farm cash
T – Family indebtedness exceeds assets

Number 6 on the legend, "Unusual conditions – CSS recommends individual analysis" means that the student is either:

a. A foreign applicant.

b. Married, and the PCS represents the financial resources of the student or spouse rather than the parents.

c. Has listed his own financial resources.

d. Student has listed no parents or legal guardian.

When the applicant reports that he is a citizen of a foreign

BEST COPY AVAILABLE

country other than Canada, a stamp appears on the PCS. It indicates that the institution or agency receiving the PCS and FNAR should obtain additional information from the applicant through the Financial Aid Application for Students from Foreign Countries, a data-collection document available through the CSS.

The college code is the number the CSS assigns to each user of the CSS central processing services. Institutions without a specific code are listed as 1000.

The "Revised" box will be marked with a "Y" if the family has submitted additional information to the CSS resulting in the production of another FNAR. In addition, a "revised" stamp appears on PCS copies that are sent to the institution when the family submits significant information not requested by the CSS after PCS copies have already been sent to colleges.

Date Printed is the date the CSS produces the FNAR.

In the "Unusual conditions" box at the top of the FNAR, the CSS makes one of three annotations about the federal income tax to which the aid administrator should pay particular attention:

1. The letter "A" indicates that there was "no income tax paid or estimated to be paid or no income reported for 1973" and the CSS has used the standard deduction in computing the tax.

2. The letter "B" indicates that "the reported tax for 1973 is less than 80 percent of standard tax." This condition may indicate large tax-deductible expenses for the year, or it may mean that a family has reported only its tax payments in excess of withholding, which would yield a tax allowance on the FNAR that was too small.

3. The letter "C" indicates that "the reported tax paid for 1973 exceeds the standard tax by 10 percent." When this condition occurs the CSS uses the standard deduction in the tax computation. This condition may mean that the family has reported its total withholding rather than the actual tax paid or that the family's income may be higher than actually reported on the PCS.

Unusual condition "D" was introduced at the time the CSS started computing the expected parental contribution on the current year rather than on the estimated year. When condition "D" appears, the financial aid administrator may wish to review the information reported on the PCS.

To bring to the attention of the financial aid administrator items he may wish to review, the CSS prints an E or F in the top line to indicate that the allowance for business expenses and/or medical expenses has an effect of at least $100 on the expected parental contribution.

The CSS identification number is a number that the CSS assigns to each student completing a PCS.

In addition to the stamp for revised cases and foreign students, the CSS stamp "Processed as received—CSS" indicates that the PCS has been processed exactly the way it was received. For example, the stamp would appear if only the first page of the PCS were received by the CSS.

The "QC (Quality control)" and "Resubmitted as original" stamps may occasionally appear on the PCS. They refer to internal CSS central processing procedures and are not relevant in any way to the interpretation of the PCS and FNAR.

Effective income (line 2)

In reviewing the computation of effective income the financial aid administrator will want to be aware of certain assumptions the CSS makes in the central processing procedure. The CSS uses the income of the parent or parents with whom the student resides. In the case of children of divorced or separated parents, information provided by the parent who has custody may be insufficient to clarify fully the family and financial circumstances. Then the financial aid administrator may wish to write to the parent and ask for more complete information as a basis for analyzing the family's ability to meet educational expenses.

Each institution must decide for itself whether it should accept a greater financial responsibility for a student than the parents or stepparents are willing to accept. If one of the parents has left the family, provides no support for an extended period of time, and cannot be located, it would seem reasonable to not expect a contribution toward educational expenses. A parent who has maintained contact may be considered a part of the family unit in certain circumstances and will often provide funds toward educational expenses. Many parents do provide regular and substantial amounts for the support of their children even though they are no longer a part of the student's family, and many will continue to provide this support when the student enters postsecondary education, even though a court decree may specify that support terminates at that time. The financial aid administrator must weigh carefully all the factors in the situation before making his decision. Whatever policies the institution adopts, certain general guidelines presented here may be helpful.

1. Rational consideration, not legal arrangements, will determine whether a student can expect to receive support and assistance for educational expenses from a parent not living with the family.

2. If a specified amount of money is being received for child support, it is probably better to assume that this support will be available to meet educational expenses rather than to expect additional support.

3. The stepparent's or guardian's ability and obligation to support a second family is contingent on the extent of the continuing responsibilities to the first family, the number of family members employed, and the relationship between the student and the stepparent or guardian.

Special consideration is required also in the case of children from farm families and children of military personnel, clergy, or private school teachers. These families often receive benefits, in addition to their salaries and wages, that raise their real standard of living. The financial aid administrator must consider these additional sources in arriving at an equitable and reasonable contribution from parents for educational expenses.

While living expenses for farm families may differ little in amount from those of urban families, there are certain noncash housing benefits to the farm family. A tenant farmer (a person renting a farm under a share arrangement with the owner) very often is provided with a rent-free house. He receives housing in return for his labor, and the value is not counted as income for tax purposes. But this noncash benefit

BEST COPY AVAILABLE

Figure 8. FNAR line 2

YEAR	COMPUTATION OF EFFECTIVE INCOME									
	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	WORKING SPOUSE	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	12420	1153	55	1200	0	30	0	0	2438	9982
2										
3										

does improve his family's standard of living compared with a wage-earning family that would have the benefit of cash income only. The financial aid administrator may wish to increase family net income by $800 to $1,200 (a range of the average annual value of rental housing in rural areas).

Military personnel receive a number of benefits, some of which may be reflected in their salaries. These include subsistence and quarters allowances, overseas pay, incentive pay, and hazardous duty pay. The instructions in the PCS *Booklet* indicate that these additional amounts should be included in "other nontaxable income" on the PCS. To assist the financial aid administrator in verifying the amounts of such cash allowances, Table G in the back of this book lists, by rank and years of service, a serviceman's total pay, including allowances for quarters and subsistence. Special allowances for hazardous duty, sea and foreign duty, and incentive pay are listed by pay grade in two notes to Table G.

Once the financial aid administrator has arrived at an estimate of the actual income of the military family, he must consider the special circumstances that may affect its living costs. Some of these circumstances act to increase the real standard of living of the family. Military families often receive free medical care for a majority of health problems (most dental care is not, however, provided free). They are able in many cases to shop in government-owned stores in which further cash savings can be realized. On the other hand, they are often faced with frequent changes in assignment, which necessitate paying moving expenses and related expenses. Their place of duty may be such that items reasonably priced in the United States can be obtained there only at a premium. They may also reside in places where the general cost of living is substantially higher than that in the United States, and where part-time and vacation employment for students is difficult or impossible to obtain. The financial aid administrator must consider all these variables in estimating the reasonable contribution that may be expected from such families.

Ministers and private school teachers may receive rent-free housing as a fringe benefit of their employment. The instructions in the PCS *Booklet* indicate that an estimate of the value of this free housing should be listed on the PCS. If there is no other income listed, and no indication of home ownership, the financial aid administrator may wish to communicate with the family to ascertain their living arrangements. A conservative estimate of the value of such free housing is 15 percent of the annual income. The aid administrator may wish to use this amount in estimating the real income of the family receiving free housing.

The types of families mentioned above are suggestive of some of the cases in which the financial aid administrator is called on to look beyond the entries on the PCS in order to treat students and parents as fairly as possible.

Figure 8 shows the CSS computation of the parents' effective income for the Mary Brown case. After determining the parents' total income, the CSS computes the standard tax for the taxable income. If tax reported by the parents is 10 percent greater than the computed amount, the computed figure is used. This is also the case if no tax is reported.

The amount given for state tax is used as reported except when tax reported exceeds the standard tax by 10 percent or more.

The working spouse allowance is granted when there is an entry in PCS item 7A for both the father and the mother, and also when there is an entry for the mother in item 7A and also in item 7C. The financial aid administrator may wish to provide an allowance when both parents' income is listed under 7C or the father is a salaried employee and the mother's income is being reported under PCS item 7C.

The CSS accepts the parents' reported medical expenses. Studies by the CSS show that most expenses listed in this item are allowable. The CSS does alert the aid administrator on the FNAR when these expenses affect the contribution by $100, so that he can review the item.

The CSS reviews emergency expenses when the total amount will affect the parental contribution by $100 or more. Allowances are not made for any expense that is not explained or that cannot be classified as an emergency or unusual expense (see page 10).

The CSS reviews the indebtedness (PCS item 22) of the family when the total exceeds $4,489 or the amount exceeds the value of the parents' assets. If there is no explanation, the amount is reduced to zero. Debts are also checked to determine if they are allowable (page 10), and, if not, the amount of indebtedness is reduced accordingly. A figure appears in the "Indebtedness" box only when debts exceed assets.

The CSS reviews entries for "Other dependents" when more than one is claimed, and, if there is no explanation on the PCS, no allowance is granted.

Income supplement (line 3)

In the computation of the income supplement from parents' assets, the CSS uses the purchase price in cases where unpaid mortgage reported on the PCS exceeds the market value. If the unpaid mortgage exceeds the market value and the purchase price, zero is assumed for market value and unpaid mortgage.

BEST COPY AVAILABLE

Figure 9. FNAR line 3

YEAR	COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS								
	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	[illegible]	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	12600	2300	0	900	0	15800	100	15700	710
2									
3									

Figure 10. FNAR line 4

YEAR	COMPUTATION OF TOTAL FAMILY CONTRIBUTION										
						APPLICANT'S ASSETS AND BENEFITS					
	ADJUSTED GROSS INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NUMBER IN PARENTS' HOUSEHOLD	PARENTS' CONTRIBUTION FOR APPLICANT	SUMMER SAVINGS	ASSETS	SOCIAL SECURITY	VETERANS' BENEFITS	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	10692	910	0	1	910	300	80	0	0	0	1290

RECLASSIFICATION	YEAR	INSTITUTIONAL BUDGETS				ESTIMATED FINANCIAL NEED			
		RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	RESIDENT	COMMUTER	OUT-OF-STATE	OTHER
[illegible]									

For business and farm income, the CSS uses PCS item 7C. The CSS verifies that this figure is the same as the one reported on the Supplement.

If cash, bank accounts, and other investments exceed $20,000, the CSS checks to insure that income is listed in 7B. If 7B is zero, the CSS requests additional information from the parents.

Figure 9 shows the computation of the income supplement for the Mary Brown case.

Total family contribution (line 4)

When the contribution from parents is $1,150 or less, it is considered to be totally for maintenance. The contribution figure appears in the "For applicant's maintenance" box and appears as well in the "Parents' contribution" box. It is this figure that may need adjustment by the financial aid administrator in the case of commuting students, depending on the procedure selected by the financial aid administrator (see page 7).

In addition to the contribution for applicant's maintenance, the amount of the contribution from discretionary income (contributions over $1,150) represents the full amount available for educational expenses, except that if the family has more than one child in a postsecondary institution, the CSS divides the discretionary income by the number of such children. The parental contribution is then added to the "Applicant's assets and benefits" to derive the "Total family contribution" (Figure 10). The CSS also computes the student's financial need (below line 4) when the institutional budgets are provided.

To assist aid administrators in better understanding CSS theory and rationale, computation workshops are conducted each year. Information about these workshops is available from the College Board's regional offices, listed in the back of this book.

BEST COPY AVAILABLE

5. Theory and computation procedures for the Student's Financial Statement

The Student's Financial Statement (SFS) has been developed and modified by the CSS over the last several years to provide self-supporting students, whether undergraduate or graduate, single or married, with an appropriate method of demonstrating their need for financial assistance. The SFS, while primarily designed for use with self-supporting students, is also an effective form for use with dependent students. The rationale, processing, and computation procedures for the SFS are described in this chapter.

Assumptions of the SFS theory

Determining a student's status

The CSS has designed the SFS in such a way as to provide student applicants with an opportunity to classify themselves as either dependent or self-supporting according to the criteria established by the U.S. Office of Education. Since criteria for determining dependent or self-supporting student status differ slightly for the federally supported Basic Grant, Supplemental Educational Opportunity Grant, College Work-Study, National Direct Student Loan, and Nursing programs, when compared with the Guaranteed Student Loan/Federally Insured Student Loan program, the SFS provides sufficient information to report student status by both sets of criteria.

An "independent student," for the purposes of the major federal programs administered by the institution, "(1) Has not and will not be claimed as an exemption for Federal income tax purposes by any person except his or her spouse for the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested.

"(2) Has not received and will not receive financial assistance of more than $600 from his or her parent(s) in the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested, and

"(3) Has not lived or will not live for more than 2 consecutive weeks in the home of a parent during the calendar year in which aid is received and the calendar year prior to the academic year for which aid is requested."[1]

An "independent student," for the purposes of the Guaranteed Student Loan Program, has not at any time in the last 12 months (a) lived with his parents, (b) been claimed as their dependent for income tax purposes, or (c) received $600 or more from them. If he has, he must include their incomes in the determination of the expected family contribution.[2]

There is also substantial variation among financial aid administrators in determining who is self-supporting. Some use federal criteria for all funds administered by the institution, some apply liberal standards, while others have policies that tend to deny the existence of a self-supporting status. Another element in the determination is whether the student has to be independent or wishes to be independent.

Expected parents' contribution

In order to provide a comprehensive analysis, the SFS permits the collection of financial data from the parents of the student. The CSS recognizes that when a student is known to be financially independent of his parents, it may well be completely inappropriate to request parental financial information. When this information is not needed for establishing eligibility for aid programs, federal or institutional, the financial aid administrator may instruct the student not to have the parental information section of the SFS completed. This may be done by supplementary written instructions to the student or by deleting the part of the SFS that refers to the parents' financial situation.

The CSS has pioneered in the field of need analysis services for dependent students through its Parents' Confidential Statement and the accompanying theory and rationale, under the basic assumption that parents and students have a responsibility to meet the costs of postsecondary education.

For self-supporting students, the same assumption is not universally accepted, nor in many situations should it be. The SFS need analysis system for the self-supporting student focuses its emphasis on the income and other resources of the student, and the parents' contribution is not considered as a resource. For dependent students, however, a parents' contribution is calculated and reported as part of the student's total resources. Given the limited availability of financial aid funds at most institutions, however, the financial aid administrator may well consider that with adequate financial strength parents of self-supporting students may still be expected to share the burden of educational expenses. If parental information is provided, the CSS analyzes the data and calculates a parents' contribution.

The computed contribution from a student's parents is based on the generally accepted CSS standards of ability to pay for postsecondary education. In the CSS analysis for dependent students, the parents' contribution is expected to provide for the basic necessities of living as well as provide a contribution from discretionary income. In the SFS analysis, it is assumed that the self-supporting student receives no parental contribution, since the student does not reside with his parents nor depend on them for such support.

An additional feature of the SFS need analysis is that when financial information is reported an amount for the parents' contribution, based on the rationale used in the analysis of the dependent student's need, is provided on the output document called the Student's Financial Need Analysis Report (SFNAR). These data may appropriately be used to qualify a self-supporting student for federal financial aid programs and may also be used in those cases where the SFS analysis indicates that the student has dependent status.

Student expenses and resources

For the purpose of determining the *expenses* of the student, the CSS will use the student-reported expenditures estimated for 1974-75. In the majority of cases such estimates of the type and dollar amounts of a student's expenses provide the most reliable data and represent the type of budget he will actually have during the year for which financial aid is being sought. In determining the *resources* of the student, the CSS will also use estimated amounts reported for 1974-75. The student estimates include all anticipated resources, excluding

1. *Federal Register*, Vol. 38, No. 111 (Monday, June 11, 1973), page 15421.

2. Federal regulations, Section 177.3 (c), *Federal Register*, Vol. 35, No. 213 (Saturday, October 31, 1970), pages 16889-16890.

BEST COPY AVAILABLE

the aid funds that may be sought. Further, the use of estimated resources permits both the student and the financial aid administrator to develop the most realistic "need" figure. Adjustments in expenses and resources must be considered in cases where the student changes marital status or his style of living, such as returning to an educational institution following full-time employment.

Contribution from student's assets. The CSS assumes that most students who complete the SFS and who have substantial assets have determined that education is the most important expenditure they can make. Thus, it is reasonable to expect a significant proportion of their assets to be made available toward the cost of their education. Certain safeguards, however, have been built into the rationale to assure that expected contributions from assets do not exceed a reasonable limit, particularly for older self-supporting students. Student assets reported on the SFS are treated in the same manner as parental assets (see Chapter 2) up to the point of arriving at net worth.

CSS users generally agree that most undergraduate students attending postsecondary institutions would be expected to commit their assets toward meeting educational and basic living expenses. The SFS procedures therefore provide no allowance for students 21 years of age or under, but convert assets at a rate generally consistent with those applied to parents of dependent students.

As students continue beyond undergraduate education and/or assume family responsibilities it is considered appropriate to recognize the necessity of protecting a portion of their assets to provide for circumstances that surround such responsibilities. The SFS rationale therefore builds on the experience the CSS has gained over its 19 years of analyzing the ability of parents to contribute from assets toward educational expenses, and extends those allowances and conversion percentages to students from 22 to 65 years of age.

One exception to asset treatment of parents (explained in Chapter 3) is made in the SFS procedures. The negative income supplement does not apply to self-supporting students.

Determination of institutional budgets. Institutions and agencies using the SFS have considerable latitude in submitting budgets for use in calculating the estimate of the student's financial need. Two estimates of need, based on budgets submitted by the institution, are reported on the SFNAR as Column 1 and Column 2. For each budget, institutions may submit expenses for 9-month and 12-month periods for different types of students: single individual; couple; and one- or two-parent family with one, two, and three or more children. The institution's budgets should reflect the student's total costs, including direct educational expenses, such as tuition, fees, and books and supplies, and indirect expenditures such as rent, food, clothing, and other basic living expenses.

Many financial aid administrators will have little difficulty constructing typical expense budgets. For those who are less experienced in budgeting for self-supporting students it is often difficult to evaluate the appropriateness of such items as rent, food, clothing, and other basic living expenses. Some assistance may be obtained from information provided in Table 2 in this chapter, SFS National Average Expenses, or by writing to the CSS or the College Board regional offices listed in this book for further information or consultant service.

SFS computation procedures

Distribution of the SFS

The Student's Financial Statement is at present available to students *only* through institutions and scholarship programs using this need analysis service. Distribution of the SFS is limited because the CSS believes it is the prerogative of the financial aid administrator to determine with which students applying for financial assistance the SFS should be used. Secondary school counselors and community agency personnel are urged to assist in identifying self-supporting students for whom the SFS serves as an appropriate need analysis document. The SFS can also effectively be used for upperclassmen who filed a PCS in their first year and in institutions that have similar numbers of dependent and self-supporting students in which use of two different need analysis documents might not be desirable.

Processing the SFS and SFNAR

Each SFS received for central processing is reviewed for missing, incomplete, or invalid entries. Once questions are resolved, the SFS is analyzed and a Student's Financial Need Analysis Report (SFNAR) is produced by the CSS for each institution or program designated by the student to receive a copy. The institution or agency receives a copy of the SFS and SFNAR at the same time.

Information reported on the SFNAR

A detailed review of the component parts of the SFNAR and computational procedures used in the SFS analysis are provided here.

The SFNAR gives identifying information about the student, including full name, sex, date of birth, age, and social security number. Other descriptive items are also included, the most important of which are explained below.

Year in college. A student's year in college, as reported on the SFS, is the academic year for which the student is seeking aid, and is shown on the SFNAR according to the following designations.

1 – First
2 – Second
3 – Third
4 – Fourth or fifth (undergraduate)
5 – Graduate/professional

When a student fails to provide this information, the CSS assumes a first-year status.

Marital status. A student's marital status is shown on the SFNAR according to the following designations.

1 – Single
2 – Separated, divorced, or widowed
3 – Married
4 – Single, separated, divorced, or widowed, but data for a spouse is shown

A marital statds "4" indicates that the student reported on the SFS under "marital status" that he was single, separated, divorced, or widowed, but the SFS items "spouse's tuition, fees, books, and supplies," "support from spouse's parents," or "spouse's wages, salaries, tips, etc." showed valid dollar entries. The CSS assumes that the student is married in this

BEST COPY AVAILABLE

situation, and the analysis for such a student treats the student accordingly. The financial aid administrator may wish to review this item to assure himself that the analysis is correct.

Number of children. The number of children reported as being in the student's family is given on the SFNAR as follows.

0 – No children 2 – Two children
1 – One child 3 – Three or more children

Number of dependents. The number of other dependents reported as being in the student's family is also shown on the SFNAR.

Dependency status. A student's dependency status is determined from SFS items 7 through 9. The wording of these items is consistent with the United States Office of Education's most recent definition of a self-supporting student, which is used for the campus-based student financial assistance programs.

The dependency status of the student is reported on the SFNAR as one of the following six messages.

1 – Self-supporting – Parents' information reported

This message is produced when the student has responded "no" to all of SFS items 7, 8, and 9, which ask for information on residence, parental support, and federal tax exemptions, and the student's parents have provided financial data.

2 – Self-supporting – Parents' information not reported

This message is produced when the student has responded "no" to all of SFS items 7, 8, and 9, and the student's parents have not provided financial data.

3 – Self-supporting – Parental support in item 29

This message is produced when the student has responded "no" to all of SFS items 7, 8, and 9, and an entry appears at SFS item 29 for estimated year 1974-75.

4 – Dependent – Parents' information reported

This message is produced when the student has responded with at least one "yes" to any of SFS items 7, 8, and 9, and the student's parents have provided financial data.

5 – Dependent – Parents' information not reported

This message is produced when the student has responded with at least one "yes" to any of SFS items 7, 8, 9; the student's parents have not provided financial data; and a follow-up inquiry to the parents has produced no additional data.

6 – CSS unable to determine

This message is produced when the student has responded with "blank" or a combination of "blank" and "no" to all of SFS items 7, 8, and 9.

Duration of budget. The duration of a student's budget is shown on the SFS as either 9 months or 12 months. If a student does not indicate a budget preference on the appropriate SFS item, the CSS assumes a 12-month budget when the student has been determined to be self-supporting and a 9-month budget when the student has been determined to be dependent. When the CSS is unable to determine a student's dependency status (code 6), a 9-month budget is assumed.

Other information. The CSS also indicates on the SFNAR the date on which the SFNAR was printed, the CSS Identification Number for the student (unique for each student), and the College Code number for the institution.

Computation of student's contribution from income and benefits

Taxable income. Taxable income is determined by adding student's wages, salaries, tips, etc.; spouse's wages, salaries, tips, etc.; and other taxable income as reported for the 1974-75 estimated year.

Once the taxable income of the student has been established, allowances are made against the income for tax payments and certain unusual expenses.

Federal income tax. Federal income tax is the first allowance. The CSS computes a standard tax by assuming that the student uses standard deductions and considers the number of tax exemptions. This method of calculating a standard tax can be approximated by the financial aid administrator by using Table A with information provided on the SFS.

State income tax. The CSS makes an allowance of state income tax for those students residing in one of the states that assess such taxes by computing a standard state income tax. This is done by assuming standard deductions and the specific exemption values and rates of taxation for the student's state of residence.

The same method used in the central processing procedure to calculate a standard tax can be approximated by the financial aid administrator. Using the student's taxable income and state of residence, he can determine from Table C the allowance for state income tax.

Social security tax. An allowance for social security tax is also granted and is computed by multiplying the student's and spouse's wages, salaries, tips, etc. by 5.85 percent. The maximum allowance granted to the student and to the spouse is $740 each.

Working spouse. The CSS makes a working spouse allowance for those students whose husband or wife is employed. The allowance is equal to 50 percent of the spouse's wages, salaries, tips, etc. up to $2,000, plus 25 percent of the earnings over $2,000 to a maximum allowance of $1,500.

Other dependents. A standard allowance of $600 is made for each dependent, other than children, reported on the SFS. This may be the student's parents, uncles, aunts, grandparents, or other relatives supported by the student. The aid administrator may want to review the SFS to determine whether the standard allowance figure is related to the actual amount reported. In cases where actual support differs from the $600 standard, an adjustment may be appropriate. This may happen particularly when expensive nursing care or medical expenses create an excessive financial burden on the student's finances.

All the allowances cited above are then totaled and subtracted from taxable income to derive taxable income after allowances.

Social security and veterans benefits. "Social security" and "veterans–GI Bill benefits" are shown on the SFNAR as reported by the applicant.

Other nontaxable income and benefits. This resource is also shown on the SFNAR as reported and is computed by adding "support from spouse's parents" and "other nontaxable income and benefits."

The student's "contribution from income and benefits" is reported and is determined by adding the above benefits and

BEST COPY AVAILABLE

nontaxable income to the "student's taxable income after allowances," previously determined.

Computation of student's contribution from assets

An analysis of the student's assets is the next step. It includes consideration of residence and other real estate equity, business or farm equity, cash and bank accounts, other investments, and debts outstanding.

Residence equity. The residence equity represents the difference between the "estimate of present market value" and the "unpaid mortgage principal" of the home.

Other real estate equity. The CSS determines the value of the other real estate in the same manner that it determines residence equity.

Residence and other real estate equity are then added and appear on the SFNAR.

Business or farm equity. The net worth of the business or farm is determined by subtracting the total indebtedness of the business or farm from its total value. The result is then multiplied by the percent of ownership. The resulting figure is entered on the SFNAR.

A negative number is never entered, nor is excess business indebtedness ever placed in the debt outstanding section of the SFNAR.

Cash and bank accounts. Cash and bank accounts are entered on the SFNAR as reported on the SFS.

Occasionally students report restrictions against bank accounts for life insurance or pending expenses, or other accounts reserved for the care of retarded or handicapped children. While the CSS cannot recognize such individual circumstances in its central processing procedures, the aid administrator may wish to exercise his judgment in considering such situations.

Other investments. Other investments are entered on the SFNAR as reported on the SFS.

Debt outstanding. The CSS makes an allowance for indebtedness by reducing the student's total assets by the amount listed on the SFS.

Net worth. After indebtedness has been subtracted from the student's total assets, the remainder represents net worth and is shown on the SFNAR. The net worth entry is never a negative number.

Asset allowance. The CSS next grants an allowance against the student's net worth. Table 1 shows the allowances, which vary by the age of the student. When the student fails to report date of birth, the CSS assumes the student's age to be 21.

Conversion percentage. The conversion percentage (see Table 1) is also determined by the student's age.

The student's contribution from assets is then determined by subtracting the appropriate "assets allowance" from "net worth" and multiplying the difference by the "conversion percentage." A negative number never appears on the SFNAR for this entry.

Contribution from student's parents

The CSS makes an initial determination of the student's self-supporting or dependent status. If the student is dependent and the financial data of the parents have not been provided,

Table 1. Asset allowances and conversion percentages (student's assets), for the 1974-75 SFS

Age	*Allowance*	*Conversion percent*
0-21	$ 0	35
22	300	30
23	400	30
24	500	30
25	600	25
26	700	25
27	800	25
28	900	25
29	1,000	25
30	1,200	20
31	1,600	20
32	2,000	20
33	2,400	20
34	2,800	20
35	3,200	15
36	3,800	15
37	4,400	15
38	5,000	15
39	5,600	15
40	6,400	12
41	6,500	12
42	6,700	12
43	6,900	12
44	7,100	12
45	7,400	11
46	7,600	11
47	7,800	11
48	8,100	11
49	8,300	11
50	8,600	10
51	8,900	10
52	9,200	10
53	9,500	10
54	9,900	10
55	10,200	9
56	10,600	9
57	11,100	9
58	11,500	9
59	12,000	9
60	12,600	7
61	13,100	7
62	13,800	7
63	14,500	7
64	15,300	7
65	16,100	7

BEST COPY AVAILABLE

the CSS follows up to obtain the missing information. If a response is not received from the parents within 30 days, the CSS provides the analysis with the indication that the missing data on parents' income and assets were not reported.

When financial data are shown (or obtained subsequently within 30 days from the parents) the computed contribution from the student's parents is based on CSS standards of ability to pay for postsecondary education. Chapter 3 explains the step-by-step procedure for determining the parents' effective income, the computation of the income supplement from parents' assets, the parents' adjusted effective income, and finally the parents' contribution.

When parental information is reported on the SFS, a computation is made and appears in the "Parents' contribution for students" section of the SFNAR. However, the contribution from parents is added to other student resources *only* when the student has previously been determined to be dependent. When the student is self-supporting, the "Contribution from parents" box of the SFNAR is blank.

Student's total resources

The student's total resources are next entered on the SFNAR. The amount is computed by adding "Contribution from income and benefits," "Contribution from assets," and when appropriate "Contribution from parents."

Student's expenses and estimates of need

Student-reported expenses

A summary is provided on the SFNAR of the student's reported expenditures for the 1974-75 *estimated year*. All items are shown on the SFNAR as reported to the CSS by the student, with one possible exception. When the student has not provided expenses for tuition, fees, books, and supplies, the CSS enters the appropriate direct educational expenses as reported to the CSS by the institution named to receive the SFS. This entry and the resulting estimate of financial need are blank when the named institution has not provided estimates of tuition, fees, books, and supplies. The CSS accepts the authenticity or validity of the remaining expense entries.

A financial need determination is then provided, based on the difference between the resources reported on the statement by the student and the expenses determined above. This amount represents the student's perception of need.

SFS national averages

The CSS provides the financial aid administrator with the means for determining the appropriateness of the expense entries. SFS national average expenses (see Table 2) are printed on the SFNAR, and the financial aid administrator can compare them with the expenses reported by the student. Such data are not provided for the student's and spouse's direct educational expenses.

The entry for the student's tuition, fees, books, and supplies is the same as the figure reported to the CSS by the institution designated to receive the SFS. This entry and the resulting estimate of financial need are blank when the institution has not reported the data to the CSS and the student also has not done so. Spouse's tuition, fees, books, and supplies are shown as reported on the SFS.

SFS national average expenses are presented in dollars for each of the maintenance expenses of the student. These amounts are updated annually on the basis of expense data reported by the previous year's SFS-filing population. The financial aid administrator can then compare selected expense items with national averages for students with similar family size.

A financial need determination is provided next, based on the difference between the computed resources (Student's total resources) and the student's expenses, determined above. This amount represents the estimate of need based on the SFS national averages.

Institutional-reported student's expenses

Two determinations of financial need are provided (in Columns 1 and 2), showing the difference between the computed resources of the student ("Student's total resources") and the total expenses as reported by the institution. The appropriate

Table 2. SFS national average expenses

	Single individual	*Couple*				*One parent*		
		No children	*1 child*	*2 children*	*3 children*	*1 child*	*2 children*	*3 children*
Rent or mortgage, or room, including utilities	$ 870	$1,550	$1,550	$1,750	$1,880	$1,150	$1,400	$1,460
Food or board, and household supplies	600	1,100	1,230	1,540	1,810	830	1,110	1,290
Clothing, laundry, and cleaning	250	340	370	460	540	370	460	500
Transportation	300	550	480	550	560	280	320	310
Medical and dental expenses	110	200	310	350	380	120	160	150
Other expenses	340	870	990	1,230	1,360	580	690	670
Total expenses	2,470	4,610	4,930	5,880	6,530	3,330	4,140	4,380

* For a 12-month year. To determine average expenditures for a 9-month academic year, take 75 percent of the amount given in the table.
Source: Unpublished statistics on the 1973–74 SFS-filing population compiled by the CSS, July 1973.

BEST COPY AVAILABLE

total institutional-reported student expenses are determined by the "Dependency status" of the student. Column 1 and Column 2 expenses, reported by the institution in Section 5 of the Institutional Estimate of Student Expenses (IESE), are used when the student is self-supporting. Columns 1 and 2 can be used to show resident vs. commuter, half-time vs. full-time, or whatever two categories of student expenses are applicable to the particular institution. Resident and Commuter expenses, reported in Section 4 of the IESE, are used (as with the PCS) when the student is dependent. If the institution has not previously provided the necessary expense data, it is not possible for the CSS to complete the determination of need. Also, it is not possible for the CSS to report detailed expenses for the student.

The SFNAR also provides space for the financial aid administrator to make institutional adjustments to any of the individual expense items and to develop more meaningful and appropriate budgets based on the experience gained in his use of the SFS.

Guaranteed Student Loan data

The Guaranteed Student Loan data (GSL) are provided on the SFNAR to assist institutions working with students who are applying for loans under the Guaranteed and/or Federally Insured Student Loan programs. The GSL data provide the following.

Status. The student is determined to be self-supporting or dependent based on the response to item 11 of the SFS. The status is reported on the SFNAR in the same manner as "Dependency status."

Cost of education. The appropriate institutional estimates of expenses are reported and are determined in the same manner as reported in the "Student's expenses and estimates of need" area of the SFNAR.

Financial aid and other resources. This entry is not completed by the CSS, but space is provided so that the institution may enter the correct amounts.

Support from family. The entry for support from family is the same as that for "Student's total resources," previously determined. However, when the student reports data for 12 months and is determined to be dependent according to the above "Status" entry, the "Contribution from parents" figure is modified to reflect a 12-month contribution instead of the usual 9-month contribution.

Recommended loan amount. This entry is not completed by the CSS, but space is provided so that the institution may enter the correct amounts.

Summary

In arriving at the estimated financial need for SFS filers, these steps are followed.

1. The student's dependency status is determined.
2. The student's contribution from income, benefits, and assets is calculated.
3. The parents' contribution for the student is calculated, if parental data are reported or can be obtained.
4. The student's total resources are determined, according to the dependency status of the filer.
5. The student's expenses are totaled as reported.
6. Estimated need is calculated, based on up to four expense budgets.
7. The Guaranteed Student Loan data are provided along with space for the institution's determination of loan amounts.

A final word

The CSS makes the SFS and its rationale available to assist educational institutions and agencies in the optimal administration of their financial aid programs. Although accurate, objective data constitute the basis for systematic need analysis, the resulting analysis and expected contribution figures may need to be adjusted in order to be sensitive to individual cases. Complexities in an individual's financial circumstances and differences in attitudes toward education will require that the financial aid administrator make adjustments in order to determine the most equitable contribution from the student and parents, as appropriate. As he does this, both the objective and subjective information available from all sources must be evaluated. A financial aid administrator has a professional responsibility to exercise equitable judgments about each individual, based on the most timely information available and consistent with the best interests of the student and the aims of the institution attempting to provide financial assistance.

31-506 O - 74 - 9

BEST COPY AVAILABLE

SFNAR showing sources of information and method of computation

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

STUDENT'S FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-75
CONFIDENTIAL

STUDENT'S INFORMATION

Name of Student				Date of Birth		Age	Social Security Number										
Last	First	M.I.	Sex						Year in Coll.	Marital Status	Dependency Status	Parents' Other Dependents	* * Dependency Status Date	* * Unusual Conditions Date	Date Printed	CSS Identification Number	College Code
1	1	1	2	3		4	5		6	7	8	9	10	11	12	13	14

COMPUTATION OF STUDENT'S CONTRIBUTION FROM INCOME AND BENEFITS

Taxable Income	Federal, State, and Social Security Taxes	Working Spouse	Other Dependents	Total Allowances	Taxable Income After Allowances	Social Security and Veterans Benefits	Other Non-taxable Income and Benefits		Contribution from Income and Benefits	Summary of Resources: $	Institutional Adjustment: $
15	16	17	18	19	20	21	22	=	23		

COMPUTATION OF STUDENT'S CONTRIBUTION FROM ASSETS

Residence & Other Real Estate Equity	Business or Farm Equity	Cash and Bank Accounts	Other Investments	Total Assets	Debt Outstanding	Net Worth	Asset Allowance	Conversion %		Contribution from Assets	$
24	25	26	27	28	29	30	31	32	=	33	

COMPUTATION OF PARENTS' EFFECTIVE INCOME

Net Income	Federal Income Tax	State Income Tax	Working Spouse	Medical Expenses	Emergency Expenses	Indebtedness	Other Dependents	Total Allowances	Effective Income
34	35	36	37	38	39	40	41	42	43

93

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

Residence & Other Real Estate Equity	Business or Farm Equity	Cash and Bank Accounts	Other Investments	Total Assets	Debt Outstanding	Net Worth	Retirement Allowance	Conv. %	Income Supplement
44	45	46	47	48	49	50	51	52	53

PARENTS' INFORMATION

Number of Parents	Number of Children	Number of Other Dependents	* * * Unusual Conditions	
54	55	56	57	

COMPUTATION OF PARENTS' CONTRIBUTION

Adjusted Effective Income	For Student's Maintenance	From Discretionary Income	Number of Children in College	Parents' Contribution for Student		Contribution from Parents	$
58	59	60	61	62	=	63	

Student's Total Resources

	$
64	

STUDENT'S EXPENSES AND ESTIMATES OF NEED

	Student Reported	SFS National Average	Institutional ①	Institutional ②	Institutional Adjustments
Student's Tuition, Fees, Books, and Supplies	$ 65	$ 76			$
Spouse's Tuition, Fees, Books, and Supplies	$ 66	$ 77			$
Rent, Mortgage, or Room, incl. Utilities	$ 67	$ 78			$
Food or Board and Household Supplies	$ 68	$ 78			$
Clothing, Laundry, and Cleaning	$ 69	$ 78			$
Transportation	$ 70	$ 78			$
Medical and Dental	$ 71	$ 78			$
Other Expenses	$ 72	$ 78			$
TOTAL EXPENSES	73	79	82	85	
TOTAL RESOURCES	74	80	83	86	
ESTIMATED FINANCIAL NEED	75	81	84	87	

FD 73 (Rev.)

* MARITAL STATUS
1 Single
2 Married, divorced or widowed
3 Married
4 Single or separated, divorced or widowed for data for spouse shown

* * DEPENDENCY STATUS
1 Self-supporting; parents' information not reported
2 Self-supporting; parents' information not reported
3 Self-supporting; parents' support in non 29
4 Dependent; parents' information reported
5 Dependent; parents' information not reported
6 CSS unable to determine

* * * UNUSUAL CONDITIONS
A. Tax liability not reported for 1973; standard tax used
B. Federal tax reported for 1973 is less than 90% of standard tax; reported tax used
C. Federal tax for 1973 exceeds standard tax by 10% or more; standard tax used
E. Business expenses reduce parents' contribution by $100 or more; suggest review
F. Medical expenses reduce parents' contribution by $100 or more; suggest review
G. Emergency expenses reduce parents' contribution by $100 or more; suggest review

GUARANTEED STUDENT LOAN DATA

* * Status 88	Resident or 1	Commuter or 2
Cost of Education	89	90
Financial Aid and Other Resources		
Support from Family	91	92
Recommended Loan Amount		

☐ To be completed by institution

Copyright © 1973 by College Entrance Examination Board. All rights reserved.

BEST COPY AVAILABLE

Key to SFNAR computation

1–5 = SFS item 1
6 = SFS item 5
7 = SFS item 12
8 = SFS item 13A
9 = SFS item 13B
10 = SFS items 7, 8, 9, and 10. See explanation on SFNAR
11 = SFS item 19
12 = Date SFNAR printed
13 = Student number assigned by CSS
14 = SFS item 18
15 = Total of SFS items 31–33 for 1974–75
16 = Standard federal and state income tax. See Tables A and C. Social security tax equals 5.85% of SFS item 31 plus 5.85% of SFS item 32. Maximum of $740 per wage earner.
17 = 50% of the first $2,000 plus 25% of the balance of SFS item 32 to a maximum of $1,500
18 = SFS item 13B times $600
19 = Total of 16–18
20 = 15 minus 19
21 = SFS items 34 and 35
22 = SFS items 30 and 36
23 = Total of 20–22
24 = SFS item 39 (market value minus unpaid mortgage) plus SFS item 40 (market value minus unpaid mortgage)
25 = SFS item 43A minus SFS item 43B times SFS item 43C
26 = SFS item 41
27 = SFS item 42
28 = Total of 24–27
29 = SFS item 44
30 = 28 minus 29
31–32 = See Chapter 5, Table 1
33 = 130 minus 311 times 32
34 = Total of SFS items 56A, 56B, 57, 58 minus 59 for 1973
35 = SFS item 62 or Table A
36 = SFS item 63 or Table C
37 = 50% of the first $2,000 plus 25% of the balance of the lesser income at SFS item 56A and 56B to a maximum of $1,500
38 = SFS item 60 in excess of 5% of net income
39 = SFS item 61
40 = 33 times excess of 49 over 48
41 = SFS item 55 for 1973 times $600
42 = Total of 35–41
43 = 34 minus 42
44 = SFS item 64 (market value minus unpaid mortgage) plus SFS item 65 (market value minus unpaid mortgage)
45 = SFS item 68A minus SFS item 68B times SFS item 68C
46 = SFS item 66
47 = SFS item 67
48 = Total of 44–47
49 = SFS item 69
50 = 48 minus 49
51 = See Chapter 3, Table 1
52 = See Chapter 3, Table 2
53 = 50 minus 51 times 52. See Table D
54 = SFS item 10
55 = SFS item 53 for 1974
56 = SFS item 55 for 1973
57 = See explanation on SFNAR
58 = 43 plus 58
59 = Table E. Maximum of $1,150
60 = Table F. Value in excess of $1,150
61 = SFS item 54
62 = 59 plus (60 divided by 61)
63 = 62, if student is dependent;
= blank, if student is self-supporting.
64 = Total of 23, 33, and 63
65 = SFS item 20 for 1974–75 or estimate submitted by institution
66 = SFS item 21
67 = SFS item 22
68 = SFS item 23
69 = SFS item 24
70 = SFS item 25
71 = SFS item 26
72 = SFS item 27
73 = Total of 65–72
74 = Total of SFS items 29–36
75 = 73 minus 74
76 = Estimate submitted by institution or SFS item 20
77 = SFS item 21
78 = See Chapter 5, Table 2
79 = Total of 76–78
80 = 64
81 = 79 minus 80
82 = Estimate submitted by insitution
83 = 64
84 = 82 minus 83
85 = Estimate submitted by institution
86 = 64
87 = 85 minus 86
88 = SFS item 11. See explanation on SFNAR
89, 90 = Estimate submitted by institution
91–92 = Total of 23 and 33, if student is self-supporting;
= Total of 23, 33, and 62, if student is dependent.
93 = Based on BEOG criteria, CSS will report for both dependent and self-supporting students one of the following four messages:
Possibly Eligible for BEOG*
Probably Not Eligible for BEOG
Cannot Determine BEOG Eligibility
Ineligible for BEOG Based on School Year

* After January 1974, a total family contribution figure will also be reported.

BEST COPY AVAILABLE

Sample cases

Description of Donald Bagley case

Donald is one of four children in the Leeland family. The father's income is from wages, and the family has limited unusual expenses. The treatment of medical and emergency expenses generates a small allowance. Because indebtedness exceeds assets, an allowance has also been granted against income.

This case illustrates both the negative parental contribution and the alternate computation. In all cases in which the parents' contribution from discretionary income is less than zero, the first line of figures in the "computation of total family contribution" section of the FNAR shows the negative amount. The alternate computation appears on the second line and shows the family contribution as zero.

This case also illustrates the negative income supplement. In those cases where net worth is less than the minimum to provide adequately for a moderate retirement-income level, a negative income supplement is calculated and treated as an allowance against effective income, thereby reducing the adjusted effective income. Adjusted effective income, however, is never less than zero.

The newest feature of the CSS's service is that eligibility for a Basic Educational Opportunity Grant is now reported. Using PCS input and the BEOG criteria and family contribution schedule, the central processing procedure analyzes the financial information and indicates eligibility on the FNAR. Donald's FNAR carries the message "Possibly eligible for BEOG."

BEST COPY AVAILABLE

PARENTS' CONFIDENTIAL STATEMENT (PCS)
Academic Year 1974-76 1064567

Read instructions carefully before completing this form
Do not send to CSS after December 1, 1974

BOTH NAME AND CASE ARE FICTITIOUS

IMPORTANT: Check the box next to the number of colleges or scholarship programs entered in item 2 below and enclose the fee indicated

1 ☐ $3.75 3 ☒ $ 6.25 5 ☐ $12.75
2 ☐ $6.00 4 ☐ $10.50 6 ☐ $15.00

1A STUDENT APPLICANT: BAGLEY (LAST NAME) DONALD (FIRST NAME) A (MID. INIT.)
SEX: M ☒ F ☐ — DATE OF BIRTH: 12 05 56 (MO. DAY YEAR) — SOCIAL SECURITY NUMBER: 700 00 5002

1B STUDENT'S HOME ADDRESS: 112 TAMPA STREET (NUMBER & STREET)
IVY CITY (CITY) FL (STATE) 00003 (ZIP CODE)

1C. Is student married? NO ☒ 1 YES ☐ 2
Is student a U.S. citizen? NO ☐ YES ☒
If no, what is student's visa status?

1D Student's year in college or postsecondary school during 1974-75 (check only one box): 1 ☒ FIRST 2 ☐ SECOND 3 ☐ THIRD 4 ☐ FOURTH OR MORE

1E PARENTS (Check if living): 1 ☐ FATHER 3 ☒ STEPFATHER 2 ☒ MOTHER 4 ☐ STEPMOTHER
Check any that apply: 5 ☐ PARENTS SEPARATED 6 ☐ PARENTS DIVORCED 7 ☐ STUDENT HAS LEGAL GUARDIAN (other than parents) 8 ☐ FATHER UNABLE TO WORK
If other unusual family circumstances exist, explain in (31)

2 Enter complete names, addresses, and CSS code numbers of the colleges and scholarship programs to which copies of the PCS are to be sent. Do not leave name and address area blank. Obtain code numbers from the CSS Code List provided. If any college or program you designate is not listed, leave the CSS code number box blank.

NAME	CITY	STATE	CSS CODE NO.	NAME	CITY	STATE	CSS CODE NO.
UNIV OF SOUTH FLORIDA	TAMPA	FL	5828				
ST. PETE J. C.	ST. PETERSBURG	FL	5606				
UNIV OF TAMPA	TAMPA	FL	5819				

Father, Stepfather, or Guardian

3B NAME: M. C. LEELAND — AGE: 50
HOME ADDRESS: 112 TAMPA STREET
OCCUPATION: MECHANIC — TITLE:
EMPLOYED BY: DANCE SERVICE STATION — YEARS WITH COMPANY: 5
4B Do you have a retirement plan in addition to Social Security? YES ☐ NO ☒

Mother, Stepmother, or Guardian

3B NAME: JANE LEELAND — AGE: 48
HOME ADDRESS: SAME
OCCUPATION: NONE — TITLE:
EMPLOYED BY: — YEARS WITH COMPANY:
4B Do you have a retirement plan in addition to Social Security? YES ☐ NO ☒

5A Did or will you file a joint Federal income tax return? FOR 1973 YES ☒ NO ☐ — FOR 1974 YES ☒ NO ☐
5B How many dependent children (list by name in 3G), including the student, will you claim as Federal income tax exemptions? (Do not leave blank.) FOR 1973: 4 — FOR 1974: 4
5C How many dependent children entered in 5B will be attending college in 1974-75? 2
5D How many other dependents (do not include anyone entered in 3A, 3B, 5B, 5C, or 3D) will you claim as Federal income tax exemptions? FOR 1973: 0 — FOR 1974: 0
EXPLAIN ENTRIES OF ONE OR MORE IN (31)
6 Do you own all or part of a business, or are you a farm or ranch owner, operator, or farm tenant? NO ☒ 1 YES ☐ 2
If YES, COMPLETE SUPPLEMENT A OR B BEFORE GOING ON TO (7)

Parents' Annual Income and Expenses

(ENTER ANNUAL AMOUNTS ONLY IN BOXES)

	TOTAL 1973	TOTAL 1972	ESTIMATED 1974
(7) TAXABLE INCOME BEFORE DEDUCTIONS			
A. Wages, salaries, tips, etc. — Father, stepfather, or male guardian	$ 4250	$ 4500	$ 4700
Mother, stepmother, or female guardian	$ 0	$ 0	$ 0
B. Dividends and interest (tax-exempt here)	$ 0	$ 0	$ 0
C. Net profit from business or farm	$ 0	$ 0	$ 0
D. Other taxable income (losses and gain dollar amounts in (31))	$ 0	$ 0	$ 0
8 TOTAL TAXABLE INCOME (add (5) (6) (7) and (7D))	$ 4250	$ 4500	$ 4700
(9) BUSINESS EXPENSES (losses and gain dollar amounts in (31); Do not include expenses entered on Supplement A or B)	$ 0	$ 0	$ 0
10 ADJUSTED TAXABLE INCOME (8 minus (9))	$ 4250	$ 4500	$ 4700
(11) NONTAXABLE INCOME			
A. Social Security benefits (Report student's benefits only on 2 B)	$ 0	$ 0	$ 0
B. Veterans' benefits (Report student's benefits only on 2 B)	$ 840	$ 840	$ 840
C. Welfare benefits (Report student's benefits only on 2 B)	$ 0	$ 0	$ 0
D. Other nontaxable income (losses and gain dollar amounts in (31))	$ 0	$ 0	$ 0
12 TOTAL INCOME (add (10) (11A) (11B) (11C) and (11D))	$ 5090	$ 5340	$ 5540
(13) MEDICAL AND DENTAL EXPENSES NOT COVERED BY INSURANCE AND MEDICAL INSURANCE PREMIUMS (losses and gain dollar amounts in (31))	$ 400	$ 425	$ 425
(14) EMERGENCY EXPENSES (gain dollar amounts in (31))	$ 300	$ 300	$ 300
15 FEDERAL INCOME TAX PAID OR ESTIMATED TO BE PAID	$ 0	$ 0	
16 STATE INCOME TAX PAID OR ESTIMATED TO BE PAID	$ 0	$ 0	

Parents' Assets and Liabilities

(ENTER INFORMATION IN BOXES)

	TOTAL FOR ACCOUNTS	ESTIMATED AT PRESENT MARKET VALUE	UNPAID MORTGAGE PRINCIPAL
17 HOME IS OWNED (If home not owned, enter 0 in both. Do not enter amounts entered on Supplement A or B) — YEAR PURCHASED: 19 PURCHASE PRICE $	$ 0	$ 0	$ 0
18 OTHER REAL ESTATE (Describe type in (31). Do not include amounts entered on Supplement A or B)	$ 0	$ 0	$ 0
19 CASH, SAVINGS, AND CHECKING ACCOUNTS			$ 400
20 OTHER INVESTMENTS (present market values) (Describe and give dollar amounts in (31))			$ 0
21 BUSINESS OR FARM			
A. Total assets from Supplement A, line 11, or Supplement B, line 13			$ 0
B. Total indebtedness from Supplement A, line 13, or Supplement B, line 15			$ 0
C. Percent of ownership from Supplement A, line 15, or Supplement B, line 17			0 %
22 INDEBTEDNESS (Tax deductions, business debts, debts payable, and gain dollar amounts in (31))			$ 1200
Amount of (22) to be paid during 1974			$ 600
23 ANNUAL RENT OR MORTGAGE PAYMENTS ON FAMILY RESIDENCE (if more explain in (31))			$ 1080
24 FACE VALUE OF PARENTS' LIFE INSURANCE POLICIES			$ 5000
25 TOTAL CAR INDEBTEDNESS (list make and year of family cars in (31))			$ 575

Student Applicants' Assets and Benefits

26 ASSETS (as of September 1, 1974)
A. SAVINGS (Do not include 1974 summer earnings) $ 500
B. OTHER (describe in (31)) $ 0

27 MONTHLY BENEFITS (to be received between September 1, 1974 and June 1, 1975)
A. Social Security payments per month $ 75
B. Veterans G.I. Bill payments per month $ 0
C. Other payments per month $ 0

BEST COPY AVAILABLE

Sample copy

If the student is an entering freshman, complete only the 1974-75 columns of expenses and resources for 38 and 39.

38 TOTAL EXPENSES FOR STUDENT FOR ☐ NINE ☒ TWELVE MONTHS ☒ RESIDENT ☐ COMMUTER

If the student is applying to more than one college, do not complete A, B, C, and H.

	1973-74 (ACTUAL)	1974-75 (ESTIMATED)
A. TUITION AND FEES	$	$
B. STUDENT'S ROOM		
C. STUDENT'S BOARD		
D. BOOKS AND SUPPLIES		100
E. CLOTHING, LINEN AND LAUNDRY		200
F. RECREATION AND MEDICAL		180
G. OTHER PERSONAL EXPENSES		50
H. TRANSPORTATION (Total round trip railroad or air coach fare if student resident; total commuting expense if commuting student)		
TOTAL	$	$ 530

39 TOTAL RESOURCES FOR STUDENT FOR ☐ NINE ☒ TWELVE MONTHS

	FUNDS UTILIZED (1973-74 ACTUAL)	FUNDS AVAILABLE (1974-75 ESTIMATED)
A. RESOURCES FROM PARENTS	$	$ 100
B. GRANTS OR SCHOLARSHIPS (LIST SOURCES)		
		*
		*
C. SAVINGS FROM OFF CAMPUS SUMMER EARNINGS		200
D. TERM TIME OFF CAMPUS EARNINGS		
E. VETERANS - GI BILL BENEFITS		
F. SOCIAL SECURITY BENEFITS		
G. EDUCATIONAL LOANS		*
H. OTHER SOURCES (LIST BELOW)		
SAVINGS		150
TOTAL	$	$ 450

* Include in the 1974-75 column only the grants, scholarships, or loans you actually have been awarded.

STUDENT'S NAME: LAST NAME BAGLEY; FIRST NAME DONALD; MIDDLE INITIAL A

39 PROVIDE BELOW INFORMATION FOR ALL DEPENDENT CHILDREN YOU WILL CLAIM AS FEDERAL INCOME TAX EXEMPTIONS. The number of dependent children should be the same as that entered in 38 for 1973.

A. NAME (LIST STUDENT APPLICANT ON LINE 1)	B. AGE	C. CHECK IF LIVING WITH PARENT	D. NAME OF PRESENT SCHOOL OR COLLEGE 1973-74	E. YEAR IN SCHOOL 1973-74	EDUCATIONAL EXPENSES 1973-74: F. TUITION FEES	G. BOARD AND ROOM OF COLLEGE	NON-PERSONAL EXPENSES 1973-74: H. SCHOLARSHIPS OR GIFT AID	I. LOANS AND EMPLOYMENT	J. NAME OF INSTITUTION TO BE ATTENDED IN 1974-75 IF DIFFERENT FROM THAT STUDENT APPLICANT	K. CHECK SIGNIFICANT ITEM IF ATTENDED IN 1974-75: PUBLIC TRADE	PRIVATE TRADE	COLLEGE
					$	$	$	$				
DONALD	17	x	IVY CITY HS	12								✓
HARRY	19	x	ST. PETE JC	2	350	0	0	0	UNIV OF TAMPA			x
CLARA WARD	22	x	NONE	--								
LOUISE WARD	2	x	NONE	--								

USE THIS SPACE TO EXPLAIN ALL CIRCLED ITEMS AND ANY UNUSUAL CIRCUMSTANCES

7A WAGES FROM DANCE SERVICE STATION.
13 DR. BENSON - FAMILY PHYSICIAN $200
DENTAL TREATMENT FOR WIFE AND DAUGHTER $150
MEDICINE AND DRUGS $75
14 MY WIFE IS RETURNING TO SCHOOL TO COMPLETE HER DEGREE AND OBTAIN A TEACHER'S CERTIFICATE.
22 BALANCE OWED TO LEVI'S TO REPLACE FURNITURE DESTROYED IN APARTMENT FIRE LAST YEAR.
26A MONEY WHICH DONALD HAS SAVED.
25 70 FORD
11B VETERANS BENEFITS FOR DISABILITY FOR W.W. II.

CLARA LIVES WITH US AT HOME BECAUSE SHE HAS BEEN UNABLE TO FIND A JOB SINCE SHE GRADUATED FROM HIGH SCHOOL AND SHE HAS A 2-YEAR OLD CHILD.

PARENTS' CERTIFICATION AND AUTHORIZATION

We declare that the information reported on this form, to the best of our knowledge, is true, correct, and complete. We authorize (responsible) copies of this form to be the recipients named in Item 2 and its use by the CSS as described under "General Information." We agree that to verify information reported in this form the CSS or any of the named recipients may request or obtain an official photostatic copy of our latest Federal income tax return. We further agree to provide, if requested, any other official documents necessary to verify information reported on the Parents' Confidential Statement.

WARNING: If this form is to be used in the process of establishing eligibility for federal student aid funds, you should know that false statements or misrepresentation may subject the filer to a fine or imprisonment or to both under provisions of the United States Criminal Code.

To assist in the determination of financial need, we authorize the recipients named in Item 2 to discuss the information contained in this form. We request aid: YES ☒ NO ☐

SIGNATURES OF BOTH PARENTS (OR GUARDIAN): M C Lefayd / Jane Lefayd

DATE October 5, 1973

▶▶ Be sure to enclose check or money order payable to CSS $3.75 for first college or scholarship program listed and $2.25 for each additional listing. ◀◀

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE

SUPPLEMENTARY INFORMATION REQUEST

IN REFERENCE TO THE PARENTS' CONFIDENTIAL STATEMENT FOR

TO THE PARENTS OR GUARDIAN OF
DONALD A BAGLEY
112 TAMPA STREET
IVY CITY FL 00003

10/15/73

RESPOND ONLY TO THE ITEMS CHECKED (✓).

YOUR PARENTS' CONFIDENTIAL STATEMENT CANNOT BE PROCESSED UNTIL THIS FORM HAS BEEN RETURNED.

RETURN TO COLLEGE SCHOLARSHIP SERVICE
BOX 176, PRINCETON, NEW JERSEY 08540

1064567 BAGLDA11120565002

The following items are needed to complete your Parents' Confidential Statement	For CSS Use Only
WHAT IS THE NATURE OF DEBTS OUTSTANDING?	1052 1200

WE AUTHORIZE THE TRANSFERRAL OF THE SPECIFIED ADDITIONAL INFORMATION TO OUR PARENTS' CONFIDENTIAL STATEMENT.

SIGNATURES OF BOTH PARENTS OR GUARDIAN _____ _____

DATE _____

The College Scholarship Service is an activity of the College Entrance Examination Board. Operational services are administered by Educational Testing Service
Copyright © 1971 by Educational Testing Service. All rights reserved.

BEST COPY AVAILABLE

Sample cases

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-1975

CONFIDENTIAL

NAME OF APPLICANT LAST	FIRST	M.I.	SEX	DATE OF BIRTH			SOCIAL SECURITY NUMBER			No. Par	No. Child	CLASS *	COLLEGE CODE	Rev.	DATE PRINTED	UNUSUAL CONDITIONS **	CSS Identification No.
BAGLEY	DONALD	A	M	11	20	56	700	00	5002	2	4	1T	5828		10-18		1064562

YEAR	COMPUTATION OF EFFECTIVE INCOME: NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	WORKING SPOUSE	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	5340	0	0	0	153	300	264	0	717	4623
2										
3										
4										

YEAR	COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS: RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	CASH AND BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	0	0	0	400	0	400	1200	0	-860
2									
3									
4									

YEAR	COMPUTATION OF TOTAL FAMILY CONTRIBUTION: ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S ASSETS AND BENEFITS: SUMMER SAVINGS	ASSETS	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	3763	-500	0	2	-500	400	120	630	0	0	650
	ALTERNATE COMPUTATION				0	400	120	630	0	0	1150

YEAR	INSTITUTIONAL BUDGETS: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER
1	2400	1800			1750	1150		

* CLASSIFICATION
1 = Two-parent family
2 = Separated or divorced two-parent family
3 = Father sole support
4 = Mother sole support, father deceased
5 = Mother sole support, separated or divorced
6 = Unusual conditions, CSS recommends individual analysis
M = Married applicant
R = Business or farm case
T = Family independence exceeds assets

** UNUSUAL CONDITIONS
A = No federal tax reported for 1973 standard tax used
B = Federal tax reported for 1973 is less than 50% of standard tax, standard tax used
C = Federal tax for 1973 exceeds standard tax by 10% or more, standard tax used
D = Income for 1974 differs by $1,000 from 1973 income, suggest review
E = Business expenses reduce gross contribution by $100 or more, suggest review
F = Medical expenses reduce gross contribution by $100 or more, suggest review

Copyright © 1973 by College Entrance Examination Board. All rights reserved. Printed in U.S.A. IN 376129

INSTITUTIONAL ESTIMATE

1. Institutional budget _____
2. Institutional adjustment _____
3. TOTAL BUDGET _____
4. Parents' contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Applicant's benefits _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (line 3 minus 8) _____

POSSIBLY ELIGIBLE FOR BEOG

FINANCIAL AID AWARD

GRANT _____

LOAN _____

JOB _____

BEST COPY AVAILABLE

Description of Marie Barker case

This case provides an example of a family with both high income and high expenses. Marie, one of five children, is an upperclass student with an older brother also attending college.

Mr. Barker has itemized business, medical, and emergency expenses.

Since two children in the family are in college, the contribution from discretionary income will be divided equally between both siblings.

Since the family filed a PCS in the previous year, the FNAR shows historical data for both years.

BEST COPY AVAILABLE

PARENTS' CONFIDENTIAL STATEMENT (PCS)
Academic Year 1974-75

A029037

Read instructions carefully before completing this form.
Do not send to CSS after December 1, 1974

BOTH NAME AND CASE ARE FICTITIOUS

IMPORTANT: Check the box next to the number of colleges or scholarship programs entered on Page 2 below and enclose the fee indicated.

1 [x] $3.75 2 [ ] $6.00 3 [ ] $ 8.25 4 [ ] $10.50 5 [ ] $12.75 6 [ ] $15.00

1a STUDENT APPLICANT — LAST NAME: BARKER; FIRST NAME: MARIE; MIDDLE INIT.: A

1b STUDENT'S HOME ADDRESS — NUMBER AND STREET: 1117 OAK PARK CIRCLE; CITY: KNOTTINGHAM; STATE: OKLA; ZIP CODE: 77770

1c SEX: 1 [ ] MALE 2 [x] FEMALE; DATE OF BIRTH: 08 MO. 05 DAY 55 YR.; SOCIAL SECURITY NUMBER: 112 113 42

1d Is student married? NO [ ] 1 YES [ ] 2
Is student a U.S. citizen? NO [ ] YES [x]
If no, what is student's visa status? _____

1e Student's year in college or postsecondary school during 1974-75 (check only one box): 1 [ ] FIRST 2 [x] SECOND 3 [ ] THIRD 4 [ ] FOURTH OR MORE

1f PARENTS (Check if living): 1 [x] FATHER 2 [x] MOTHER 3 [ ] STEPFATHER 4 [ ] STEPMOTHER

Check any that apply: 5 [ ] PARENTS SEPARATED 6 [ ] PARENTS DIVORCED 7 [ ] STUDENT HAS LEGAL GUARDIAN (other than parents) 8 [ ] FATHER UNABLE TO WORK

If other unusual family circumstances exist, explain in (1)

2 Enter complete names, addresses, and CSS code numbers of the colleges and scholarship programs to which copies of the PCS are to be sent. Do not leave name and address area blank. Obtain code numbers from the CSS Code List provided. If any college or program you designate is not listed, leave the CSS code number box blank.

NAME	CITY	STATE	CSS CODE NO.	NAME	CITY	STATE	CSS CODE NO.
UNIV OF OKLAHOMA	NORMAN	OKLA	6879				

Father, Stepfather, or Guardian

3a NAME: JOHN BARKER — AGE: 57
HOME ADDRESS: SAME
OCCUPATION: SALES MANAGER — TITLE:
EMPLOYED BY: BELTONE HEARING AIDS — YEARS WITH COMPANY: 5

4a Do you have a retirement plan in addition to Social Security? YES [x] NO [ ]

5a Did or will you file a joint Federal income tax return? FOR 1972: YES [x] NO [ ] FOR 1973: YES [x] NO [ ]

5b How many dependent children (list by name in 3B), including the student, will you claim as Federal income tax exemptions? (Do not leave blank.) FOR 1973: 5 FOR 1974: 5

5c How many dependent children entered in 5B will be attending college in 1974-75? FOR 1974: 2

5d How many other dependents (do not include anyone entered in 3A, 3B, 5B, 5C, or 3D) will you claim as Federal income tax exemptions? FOR 1973: 0 FOR 1974: 0
EXPLAIN ENTRIES OF ONE OR MORE: (1)

6 Do you own all or part of a business, or are you a farm or ranch owner, operator, or farm tenant? NO [x] 1 YES [ ] 2
If YES, COMPLETE SUPPLEMENT A OR B BEFORE GOING ON. (2)

Mother, Stepmother, or Guardian

3b NAME: MARY BARKER — AGE: 50
HOME ADDRESS: SAME
OCCUPATION: HOUSEWIFE — TITLE:
EMPLOYED BY: — YEARS WITH COMPANY:

4b Do you have a retirement plan in addition to Social Security? YES [ ] NO [x]

Parents' Annual Income and Spending

ENTER ANNUAL AMOUNTS ONLY IN BOXES.

	TOTAL 1972	TOTAL 1973	ESTIMATED 1974
7 TAXABLE INCOME BEFORE DEDUCTIONS			
A Wages, salaries, fees, etc. — Father, stepfather, or male guardian	$ 15300	$ 16500	$ 16500
Mother, stepmother, or female guardian	$ 0	$ 0	$ 0
B Dividends and interest (tax exclusions)	$ 200	$ 235	$ 250
C Net profit from business or farm	$ 0	$ 0	$ 0
D Other taxable amounts (tax exclusions and gain/loss amounts = (3))	$ 0	$ 0	$ 0
8 TOTAL TAXABLE INCOME (sum = (4))	$ 15500	$ 16735	$ 16750
9 BUSINESS EXPENSES (tax and gain/loss amounts = (5))	$ 600	$ 600	$ 600
10 ADJUSTED TAXABLE INCOME (= (6))	$ 14900	$ 16135	$ 16150
11 NONTAXABLE INCOME			
A Tax-free Social Security benefits (Report student's benefits only in 17A)	$ 0	$ 0	$ 0
B Veterans' benefits (Report student's benefits only in 17B)	$ 0	$ 0	$ 0
C Welfare benefits (Report student's benefits only in 17C)	$ 0	$ 0	$ 0
D Other nontaxable income (tax exclusions and gain/loss amounts = (7))	$ 0	$ 0	$ 0
12 TOTAL INCOME (sum = (8) + (9) + (10) + (11) = (12))	$ 14900	$ 16135	$ 16150
13 MEDICAL AND DENTAL EXPENSES NOT COVERED BY INSURANCE AND HEALTH INSURANCE PREMIUMS (tax exclusions and gain/loss amounts = (8))	$ 3000	$ 3500	$ 3500
14 EMERGENCY EXPENSES (tax exclusions, losses, and gain/loss amounts = (9))	$ 6400	$ 1600 CSS	1600
15 FEDERAL INCOME TAX PAID OR ESTIMATED TO BE PAID	$ 1300	$ 1400	
16 STATE INCOME TAX PAID OR ESTIMATED TO BE PAID	$ 90	$ 110	

Parents' Assets and Liabilities

ENTER INFORMATION IN BOXES.

	TOTAL FAIR VALUE	UNPAID OR PRESENT CURRENT VALUE	UNPAID MORTGAGE PRINCIPAL
17 HOME IF OWNED (if home not owned, enter "0" in boxes. Do not enter amounts entered on Supplement A or B.) — Purchased in 70 for $ 42000	$ 35000	$ 45000	$ 30000
18 OTHER REAL ESTATE (tax exclusions = (10)) (Do not include amounts entered on Supplement A or B.)	$ 5000	$ 9000	$ 900
19 CASH, SAVINGS, AND CHECKING ACCOUNTS			$ 850
20 OTHER INVESTMENTS (present market value) (tax exclusions and gain/loss amounts = (11))			$ 6000
21 BUSINESS OR FARM			
A Total assets from Supplement A, line 11, or Supplement B, line 13			$ 0
B Total indebtedness from Supplement A, line 13, or Supplement B, line 15			$ 0
C Percent of ownership from Supplement A, line 15, or Supplement B, line 17			%
22 INCOME TAXES (tax exclusions, losses, state property and gain/loss amounts = (12))			$ 1800
Amount of (22) to be paid during 1974			$ 600
23 ANNUAL RENT OR MORTGAGE PAYMENTS ON FAMILY RESIDENCE (if none, enter 0 = (13))			$ 4200
24 FACE VALUE OF PARENTS' LIFE INSURANCE POLICIES			$ 50000
25 TOTAL OTHER INVESTMENTS (tax exclusions and gain/loss amounts = (14))			$ 2000

Student Applicant's Assets and Benefits

26 ASSETS (as of September 1, 1974)
A SAVINGS (Do not include 1974 summer earnings.) $ 0
B OTHER (exclude trust, insurance and investments) $ 3800

27 MONTHLY BENEFITS (to be received between September 1, 1974 and June 1, 1975)
A Social Security payments PER MONTH $ 0
B Veterans' or GI payments PER MONTH $ 0
C Other payments PER MONTH $ 0

BEST COPY AVAILABLE

Sample cases

STUDENT'S LAST NAME: BARKER
STUDENT'S FIRST NAME: MARIE
STUDENT'S MIDDLE INITIAL: A

If the student is an entering freshman, complete only the 1974-75 columns of expenses and resources for 28 and 29.

28 TOTAL EXPENSES FOR STUDENT FOR: [X] NINE [ ] TWELVE MONTHS [ ] RESIDENT [ ] COMMUTER

If the student is applying to more than one college, do not complete A, B, C, and H

	1973-74 (ACTUAL)	1974-75 (ESTIMATED)
A. TUITION AND FEES	$ 250	$ 300
B. STUDENT'S ROOM	600	600
C. STUDENT'S BOARD	600	600
D. BOOKS AND SUPPLIES	200	200
E. CLOTHING, LINEN AND LAUNDRY	100	100
F. RECREATION AND MEDICAL	0	0
G. OTHER PERSONAL EXPENSES	100	100
H. TRANSPORTATION (not need this column if an out-of-town home if a resident student, trip commuting expense if a commuting student)	100	100
TOTAL	$ 1950	$ 2000

29 TOTAL RESOURCES FOR STUDENT FOR: [X] NINE [ ] TWELVE MONTHS

	FUNDS ATTAINED (1973-74 ACTUAL)	FUNDS AVAILABLE (1974-75 ESTIMATED)
A. RESOURCES FROM PARENTS	$ 500	$ 300
B. GRANTS OR SCHOLARSHIPS (LIST SOURCES)		
		* $
		* $
C. SAVINGS FROM OFF CAMPUS SUMMER EARNINGS	100	100
D. TERM TIME OFF CAMPUS EARNINGS		
E. VETERANS G.I. BILL BENEFITS		
F. SOCIAL SECURITY BENEFITS		
G. EDUCATIONAL LOANS		* $
H. OTHER SOURCES (LIST BELOW)		
SAVINGS	300	200
TOTAL	$ 900	$ 600

* Include in the 1974-75 column only the grants, scholarships, or loans you actually have been awarded.

30 PROVIDE BELOW INFORMATION FOR ALL DEPENDENT CHILDREN YOU WILL CLAIM AS FEDERAL INCOME TAX EXEMPTIONS. The number of dependent children should be the same as that entered in 28 for 1973. If you need additional space, use 30

1. NAME (LIST STUDENT AFTER QUALIFIER ON LINE 1)	2. AGE	3. CHECK IF LIVING WITH FAMILY	4. NAME OF PRESENT SCHOOL OR COLLEGE (1973-74)	5. YEAR IN SCHOOL OR COLLEGE (1973-74)	6. UNIVERSITY PLUS FEES	7. NAME AND SOURCE OF COLLEGE	8. SCHOLARSHIPS OR GIFT AID	9. LOANS AND EMPLOYMENT	10. NAME OF INSTITUTION TO BE ATTENDED IN 1974-75 (LEAVE BLANK IF STUDENT APPLICANT)	11. TUITION AND FEES	12. PERSONAL EXPENSES	13. ON LINE
MARIE	18	x	UNIV OF OKLA	13								✓
ROBERT	19	x	VALLEY COLL	2	2500	1000		1000	VALLEY COLL			x
SARAH	14	x	MILLERSVILLE	HS 10						x		
JERE	11	x	CEDAR ELEM	6						x		
RICHARD	10	x	CEDAR ELEM	5						x		

31 USE THIS SPACE TO EXPLAIN ALL CIRCLED ITEMS AND ANY UNUSUAL CIRCUMSTANCES

7B DIVIDENDS: IBM 6 SHARES
AT&T 12 SHARES
XEROX 3 SHARES
BELTONE 50 SHARES

9 PROFESSIONAL MEETINGS $400
CUSTOMERS' ENTERTAINMENT 200
$600

13 MEDICAL CARE FOR FAMILY:
DR. BROWNLOVE $1000
MY WIFE UNDER CARE OF
DR. LOVELACE, PSYCHIATRIST 300
ORTHODONTIA FOR:
SARAH
JERE 2200
RICHARD $3500

14 $1600 TITHE TO ST. LUKES CHURCH
1000 RESODDING OF BACKYARD DUE TO EROSION
3800 REPLACEMENT OF CAR, TOTALED IN ACCIDENT
$6400

20 6 SHARES IBM $1800
12 SHARES AT&T 2400
3 SHARES XEROX 1500
50 SHARES BELTONE 300
$6000

18 CABIN FOR VACATION

22 $800 FOR VACATION TRIP LAST SUMMER
$1000 FOR 2 SHARES XEROX

25 71 CHEVROLET, 61 PLYMOUTH, 62 V.W.

26B INS. SETTLEMENT FROM ACCIDENT IN 67.
NEEDED FOR COSMETIC SURGERY WHEN MARIE REACHES 20 or 21.

PARENTS' CERTIFICATION AND AUTHORIZATION

We declare that the information reported on this form, to the best of our knowledge, is true, correct, and complete. We authorize transmittal of copies of this form to the recipients named in Item 2 and its use by the CSS as described under "General Information." We agree that to verify information reported in this form the CSS or any of the named recipients may request or obtain an official photostatic copy of our latest federal income tax return. We further agree to provide, if requested, any other official documentation necessary to verify information reported on the Parents' Confidential Statement.

WARNING: If this form is to be used in the process of establishing eligibility for federal student aid funds, you should know that false statements or misrepresentation may subject the filer to a fine or imprisonment, or to both, under provisions of the United States Criminal Code.

To assist in the determination of financial need, we authorize the recipients named in Item 2 to discuss the information contained on this form with the student applicant. YES [X] NO [ ]

SIGNATURES OF BOTH PARENTS (OR GUARDIAN) John Barker
Mary Barker

DATE October 1, 1973

▶▶ Be sure to enclose check or money order payable to CSS. $3.75 for first college or scholarship program listed and $2.25 for each additional listing. ◀◀

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE

SUPPLEMENTARY INFORMATION REQUEST

IN REFERENCE TO THE PARENTS' CONFIDENTIAL STATEMENT FOR:

RESPOND ONLY TO THE ITEMS CHECKED (✓).

YOUR PARENTS' CONFIDENTIAL STATEMENT CANNOT BE PROCESSED UNTIL THIS FORM HAS BEEN RETURNED.

TO THE PARENTS OR GUARDIAN OF
MARIE A BARKER
1117 OAK PARK
KNOTTINGHAM OK

10/10/73

RETURN TO: COLLEGE SCHOLARSHIP SERVICE
BOX 1501, BERKELEY, CALIFORNIA 94701

A029037 BARKMA20805551342

The following items are needed to complete your Parents' Confidential Statement	For CSS Use Only
EMERGENCY EXPENSE	+30 0

WE AUTHORIZE THE TRANSFERRAL OF THE SPECIFIED ADDITIONAL INFORMATION TO OUR PARENTS' CONFIDENTIAL STATEMENT.

SIGNATURES OF BOTH PARENTS OR GUARDIAN _____ DATE _____

The College Scholarship Service is an activity of the College Entrance Examination Board. Operational services are administered by Educational Testing Service

Copyright © 1971 by Educational Testing Service. All rights reserved.

BEST COPY AVAILABLE

Sample cases

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-1975
CONFIDENTIAL

NAME OF APPLICANT LAST	FIRST	M.I.	SEX	DATE OF BIRTH			SOCIAL SECURITY NUMBER			No. Par.	No. Chld.	CLASS. a	COLLEGE CODE	Rev.	DATE PRINTED	UNUSUAL CONDITIONS a b				CSS Identification No.
BARKER	MARIE	A	F	08	05	55	112	21	1342	2	5	1	6879		10-15	F				A02903

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	WORKING SPOUSE	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	14900	1300	90	0	2250	4800	0	0	8440	6460
2	16130	1400	110	0	2694	0	0	0	4204	11926
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	CASH AND BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	13500	7500	0	1000	7000	29000	1000	28000	1683
2	15000	8100	0	850	6000	29950	1800	28150	1534
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S ASSETS AND BENEFITS: SUMMER SAVINGS	ASSETS	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
2	13460	1150	10	2	1150	400	1260	0	0	0	2810

YEAR	RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	RESIDENT	COMMUTER	OUT-OF-STATE	OTHER

INSTITUTIONAL ESTIMATE

1. Institutional budget	
2. Institutional adjustment	
3. TOTAL BUDGET	2150
4. Family contribution	1150
5. Applicant's summer savings	400
6. Applicant's assets	0
7. Applicant's benefits	0
8. TOTAL CONTRIBUTION	1550
9. FINANCIAL NEED (line 3 minus 8)	600*

FINANCIAL AID AWARD

GRANT	
LOAN	
JOB	

PROBABLY NOT ELIGIBLE FOR BEOG

N.B. Accepted application on PCS that student's assets were needed for future surgery.
R.M.S.
2/1/74

*Shows example of adjustment aid administrator might make.

CLASSIFICATION
1 = Two-parent family.
2 = Separated or divorced two-parent family.
3 = Father sole support.
4 = Mother sole support, father deceased.
5 = Mother sole support, separated or divorced.
6 = Unusual conditions CSS recommends independent status.
M = Married applicant.
B = Business or farm case.
T = Family business Controlled assets.

UNUSUAL CONDITIONS
A = Highest tax reported for 1973 exceeds 1974.
B = Federal tax paid for 1973 is less than 15% of adjusted tax base.
C = Federal tax for 1973 exceeds adjusted tax base.
D = Income for 1974 differs by $1,000 or more from 1973 income.
E = Business or farm income differs $1,000 or more from 1973.
F = Medical expenses differ $1,000 or more from 1973.

Copyright © 1975 by College Entrance Examination Board
All rights reserved. Printed in U.S.A.
I.M. 3781125

BEST COPY AVAILABLE

Description of Kenneth Bell case

Kenneth is from a family of 11 children, 3 of whom are in college. Kenneth's father, a partner in a trucking business, supports one other dependent, his father-in-law.

The family income is derived from profits from the business and from dividends and interest. In addition to allowances for federal and state income tax, allowances against income have been made for heavy medical expenses and emergency expenses resulting from support of Mrs. Bell's father. Substantial assets from home equity, from the business, and from other investments result in a sizeable income supplement.

A Supplementary Information Request (SIR) was generated because the emergency expenses reported on the PCS would affect the parents' contribution by $100 or more. The question asked on the SIR was resolved by the CSS, so there was no follow-up to the parents for additional information.

The FNAR calculation shows a parental contribution for Kenneth's maintenance and a contribution from discretionary income that has been divided among the three children in college.

BEST COPY AVAILABLE

PARENTS' CONFIDENTIAL STATEMENT (PCS)
Academic Year 1974-75

A128192

IMPORTANT: Check the box next to the number of colleges or scholarship programs entered in Item 7 below and enclose the fee indicated

1 ☒ $3.75 3 ☐ $9.25 5 ☐ $12.75
2 ☐ $6.00 4 ☐ $10.50 6 ☐ $15.00

Read instructions carefully before completing this form
Do not send to CSS after December 1, 1974

BOTH NAME AND CASE ARE FICTITIOUS

16 STUDENT APPLICANT — LAST NAME: BELL — FIRST NAME: KENNETH — MIDDLE INIT.: J
SEX: 1 ☒ M 2 ☐ F — DATE OF BIRTH: 10 25 56 (MO. DAY YEAR) — SOCIAL SECURITY NUMBER: 222 34 5567

17 STUDENT'S HOME ADDRESS — NUMBER AND STREET: 3768 RUMSON ROAD — CITY: CLEVELAND — STATE: CALIF — ZIP CODE: 45454

18 Is student married? NO ☒ 1 YES ☐ 2
Is student a U.S. citizen? NO ☐ YES ☒
If no, what is student's visa status?

19 Student's year in college or postsecondary school during 1974-75 (check only one box): 1 ☒ FIRST 2 ☐ SECOND 3 ☐ THIRD 4 ☐ FOURTH OR MORE

20 PARENTS' CHOICE (Check if living): 1 ☒ FATHER 2 ☒ MOTHER 3 ☐ STEPFATHER 4 ☐ STEPMOTHER — Check any that apply: 5 ☐ PARENTS SEPARATED 6 ☐ PARENTS DIVORCED 7 ☐ STUDENT HAS LEGAL GUARDIAN (other than parents) 8 ☐ FATHER UNABLE TO WORK — If other unusual family circumstances exist, explain in 1

7 Enter complete names, addresses, and CSS code numbers of the colleges and scholarship programs to which copies of the PCS are to be sent. Do not leave name and address area blank. Obtain code numbers from the CSS Code List provided. If any college or program you designate is not listed, leave the CSS code number box blank.

NAME	CITY	STATE	CSS CODE NO.	NAME	CITY	STATE	CSS CODE NO.
UNIV OF CALIFORNIA BERKELEY		CA	4833				

Father—Stepfather or Guardian

21 NAME: EDWARD BELL — AGE: 45
HOME ADDRESS: 3768 RUMSON ROAD
OCCUPATION: TRUCKER — TITLE:
EMPLOYED BY: SELF — YEARS WITH COMPANY: 18
40 Do you have a retirement plan in addition to Social Security? → YES ☐ NO ☒
41 Did or will you file a joint Federal income tax return? → FOR 1973 YES ☒ NO ☐ → FOR 1974 YES ☒ NO ☐
42 How many dependent children (list by name in 30), including the student, will you claim as Federal income tax exemptions? (Do not leave blank) → FOR 1973 11 → FOR 1974 11
43 How many dependent children entered in 30 will be attending college in 1974-75? → 3
44 How many other dependents (do not include anyone entered in 3A, 3B, 3B, 5C, or 30) will you claim as Federal income tax exemptions → FOR 1973 1 → FOR 1974 1
EXPLAIN ENTRIES (IF ONE OR MORE) 1
5 Do you own all or part of a business, or are you a farm or ranch owner, operator, or farm tenant? → NO ☐ 1 YES ☒ 2
IF YES, COMPLETE SUPPLEMENT A OR B BEFORE GOING ON TO 6

Mother—Stepmother or Guardian

22 NAME: ANN Z. BELL — AGE: 42
HOME ADDRESS: 3768 RUMSON ROAD
OCCUPATION: HOUSEWIFE — TITLE:
EMPLOYED BY: — YEARS WITH COMPANY:
45 Do you have a retirement plan in addition to Social Security? → YES ☐ NO ☒

Parents' Annual Income and Expenses

(ENTER ANNUAL AMOUNTS ONLY IN BOXES)

	TOTAL 1972	TOTAL 1973	ESTIMATED 1974
7 TAXABLE INCOME BEFORE DEDUCTIONS			
A. Wages, salaries, tips, etc.			
Father, stepfather, or male guardian	$ 0	$ 0	$ 0
Mother, stepmother, or female guardian	$ 0	$ 0	$ 0
B. Dividends and interest (Tax exclusions)	$ 450	$ 500	$ 500
C. Net profit from business or farm	$ 27000	$ 24500	$ 24500
D. Other taxable income (Source and give dollar amounts in 3)	$ 0	$ 0	$ 0
8 TOTAL TAXABLE INCOME (add 6, 7A, 7B, 7C, and 7D)	$ 27450	$ 25000	$ 25000
9 BUSINESS EXPENSES (Source and give dollar amounts in 3) (Do not include expenses entered on Supplement A or B)	$ 1950	$ 2000	$ 2000
10 ADJUSTED TAXABLE INCOME (8 minus 9)	$ 25500	$ 23000	$ 23000
11 NONTAXABLE INCOME			
A. Social Security benefits (Report student's benefits only in 71A)	$ 0	$ 0	$ 0
B. Veterans' benefits (Report student's benefits only in 71B)	$ 0	$ 0	$ 0
C. Welfare benefits (Report student's benefits only in 71C)	$ 0	$ 0	$ 0
D. Other nontaxable income (Source and give dollar amounts in 3)	$ 0	$ 0	$ 0
12 TOTAL INCOME (add 10, 11A, 11B, 11C, and 11D)	$ 25500	$ 23000	$ 23000
13 MEDICAL AND DENTAL EXPENSES NOT COVERED BY INSURANCE AND MEDICAL INSURANCE PREMIUMS (Source and give dollar amounts in 3)	$ 1000	$ 2670	$ 2500
14 EMERGENCY EXPENSES (See instructions. Source and give dollar amounts in 3)	$ 5000	$ 5000	$ 5000
15 FEDERAL INCOME TAX PAID OR ESTIMATED TO BE PAID	$ 1450	$ 1400	
16 STATE INCOME TAX PAID OR ESTIMATED TO BE PAID	$ 500	$ 450	

Parents' Assets and Liabilities

(ENTER INFORMATION IN BOXES)

	TOTAL FOR MORTGAGE	CURRENT OR PRESENT MARKET VALUE	CAPITAL CONTRIBUTION PERMITTED
17 HOME IF OWNED (If home not owned, enter 'X' in boxes. Do not enter amounts entered on Supplement A or B) — YEAR PURCHASED 19 61 PURCHASE PRICE 34000	$ 39000	$ 40000	$ 28000
18 OTHER REAL ESTATE (Describe type in 3. Do not include amounts entered on Supplement A or B)	$	$ 10000	$ 8000
19 CASH, SAVINGS, AND CHECKING ACCOUNTS			$ 1500
20 OTHER INVESTMENTS (present market value) (Describe and give dollar amounts in 3)			$ 10000
21 BUSINESS OR FARM			
A. Total assets from Supplement A, line 11, or Supplement B, line 13			$ 448000
B. Total indebtedness from Supplement A, line 13, or Supplement B, line 15			$ 312000
C. Percent of ownership from Supplement A, line 15, or Supplement B, line 17			% 50%
22 INSURANCES (Tax exclusions, money value, dollar amounts, and give dollar amounts in 3)			$ 0
Amount of 22 to be paid during 1974			$ 0
23 ANNUAL RENT OR MORTGAGE PAYMENTS ON FAMILY RESIDENCE (If rent, explain in 3)			$ 2000
24 FACE VALUE OF PARENTS' LIFE INSURANCE POLICIES			$ 30000
25 TOTAL CAR UNDERPAYMENTS (List make and year of family cars in 3)			$ 842

Student Applicant's Assets and Benefits

26 ASSETS (as of September 1, 1974)
A. SAVINGS (Do not include 1974 summer earnings) $ 2000
B. OTHER (Investments, trusts, annuities, and insurance) $ 0

27 MONTHLY BENEFITS (Do not include Veterans' Benefits)
A. Social Security payments PER MONTH $ 0
B. Veterans' or Civil payments PER MONTH $ 0
C. Other payments PER MONTH $ 0

BEST COPY AVAILABLE

Sample case

STUDENT APPLICANT (PRINT) LAST NAME: BELL FIRST NAME: KENNETH MIDDLE INITIAL: J

If the student is an entering freshman, complete only the 1974-75 columns of expenses and resources for 28 and 29.

28 TOTAL EXPENSES FOR STUDENT FOR: ☒ NINE ☐ TWELVE MONTHS ☒ RESIDENT ☐ COMMUTER

If the student is applying to more than one college, do not complete A, B, C, and H.

		1973-74 (ACTUAL)	1974-75 (ESTIMATED)
A.	TUITION AND FEES	$	$ 650
B.	STUDENT'S ROOM		750
C.	STUDENT'S BOARD		750
D.	BOOKS AND SUPPLIES		100
E.	CLOTHING, LINEN AND LAUNDRY		100
F.	RECREATION AND MEDICAL		100
G.	OTHER PERSONAL EXPENSES		100
H.	TRANSPORTATION (Enter round trip railroad or car mileage times 4 if a resident student, total commuting mileage if a commuting student)		50
	TOTAL	$	$ 2600

29 TOTAL RESOURCES FOR STUDENT FOR: ☒ NINE ☐ TWELVE MONTHS

		FUNDS UTILIZED 1973-74 (ACTUAL)	FUNDS AVAILABLE 1974-75 (ESTIMATED)
A.	RESOURCES FROM PARENTS	$	$ 1000
B.	GRANTS OR SCHOLARSHIPS (LIST SOURCES)		
			$
			$
C.	EARNING FROM OFF-CAMPUS SUMMER EARNINGS		200
D.	TERM TIME OFF-CAMPUS EARNINGS		
E.	VETERANS G.I. BILL BENEFITS		
F.	SOCIAL SECURITY BENEFITS		
G.	EDUCATIONAL LOANS		$
H.	OTHER SOURCES (LIST BELOW)		
	TOTAL	$	$ 1200

© Include in the 1974-75 column only the grants, scholarships, or loans you actually have been awarded.

30 PROVIDE BELOW INFORMATION FOR ALL DEPENDENT CHILDREN YOU WILL CLAIM AS FEDERAL INCOME TAX EXEMPTIONS. The number of dependent children should be the same as that entered in 18 for 1973. If you need additional space, use (9).

A. NAME (LIST STUDENT APPLICANT ON LINE 1)	B. AGE	C. UNDER 21 UNDER PARENT'S CARE?	D. NAME OF PRESENT SCHOOL OR COLLEGE 1973-74	E. YEAR IN SCHOOL OR COLLEGE 1973-74	EDUCATIONAL EXPENSES 1973-74: F. TUITION PLUS FEES	G. BOARD AND ROOM OF COLLEGE	TOTAL FINANCIAL RESOURCES 1973-74: H. SCHOLARSHIPS OR GIFT AID	I. LOANS AND EMPLOYMENT	J. NAME OF SCHOOL(S) TO BE ATTENDED IN 1974-75 (LIST CLASS FOR STUDENT APPLICANT)	K. TYPE OF SCHOOL(S) BE ATTENDED IN 1974-75: PUBLIC SCHOOL	PRIVATE SCHOOL	COLLEGE
KENNETH	17	x	SEARCH HS	12	0	0	0	0	SE HS !			✓
ROY	18	x	LOFT COLL	F2	1900	1000			LOFT COLL			x
JUNE	21	x	EVER COLL	S2	1700	1000			EVER COLL			x
JACK	15	x	SEARCH HS	10					SEARCH HS	x		
JIM	15	x	SEARCH HS	10					SEARCH HS	x		

(9) USE THIS SPACE TO EXPLAIN ALL CHILD ITEMS AND ANY UNUSUAL CIRCUMSTANCES

9 UNION PAYMENTS.
13 MEDICAL AND DENTAL BILLS ARE APPROXIMATELY $1000. IN ADDITION JIM HAS TO UNDERGO TWO YEARS OF EXTENSIVE ORTHODONTIC WORK AT A COST OF APPROXIMATELY $1500 PER YEAR.
14 COST OF MAINTAINING A PRIVATE NURSE FOR FATHER-IN-LAW.
20 STOCKS AND BONDS.
25 71 BUICK, 70 BUICK

30	MARTHA	14	x	SEARCH HS	9	SEARCH HS
	JANET	14	x	SEARCH HS	9	SEARCH HS
	JO ANN	14	x	SEARCH HS	9	SEARCH HS
	JACKIE	10	x	MADISON	5	MADISON
	REX	8	x	MADISON	3	MADISON
	BILL	7	x	MADISON	2	MADISON

PARENTS' CERTIFICATION AND AUTHORIZATION

We declare that the information reported on this form, to the best of our knowledge, is true, correct, and complete. We authorize transmittal of copies of this form to the recipients named in Item 2 and its use by the CSS as described under "General Information." We agree that to verify information reported on this form the CSS or any of the named recipients may request or obtain an officer attestation copy of our latest federal income tax return. We further agree to provide, if requested, any other official documentation necessary to verify information reported on the Parents' Confidential Statement.

WARNING: If this form is to be used in the process of establishing eligibility for federal student aid funds, you should know that false statements or misrepresentation may subject the filer to a fine or imprisonment, or to both, under provisions of the United States Criminal Code.

To assist in the determination of financial need, we authorize the recipients named in Item 2 to discuss the information contained on this form with dependent applicant. YES ☒ NO ☐

SIGNATURE OF BOTH PARENTS OR GUARDIAN: Edward Bell / Arnold G. Bell

Oct 10, 1973

▶▶ Be sure to enclose check or money order payable to CSS. $3.75 for first college or scholarship program listed and $2.25 for each additional listing. ◀◀

BEST COPY AVAILABLE

Supplement A
Academic Year 1974-75

To be completed by owners of businesses. **A**

STUDENT APPLICANT: BELL (LAST NAME) KENNETH (FIRST NAME) J (MO. INT.) (1) 5 (2) 1 (3) 0 (4) 2 (5) 5 (6) 6 (MO. DAY YEAR) (SEX) (DATE OF BIRTH) 2 2 2 3 4 4 5 6 7 (SOCIAL SECURITY NUMBER)

STREET ADDRESS: 3768 RUMSON ROAD CITY, STATE, ZIP CODE: CLEVELAND, CALIFORNIA

Enter complete names, addresses, and CSS code numbers of the colleges and scholarship programs to which copies of the PCS are to be sent. Do not leave name and address area blank. Obtain code numbers from the CSS Code List provided. If any college or program you designate is not listed, leave the CSS code number box blank.

NAME	CITY	STATE	CSS CODE NO.	NAME	CITY	STATE	CSS CODE NO.
UNIV OF CALIFORNIA	BERKELEY	CA	4833				

BUSINESS INFORMATION

NAME OF BUSINESS: BELL TRUCKING PRODUCT OR SERVICE: TRUCKING

BUSINESS ADDRESS: 125 5 STREET STREET CITY: CLEVELAND STATE: CALIFORNIA

1. TYPE OF BUSINESS: ☐ SOLE PROPRIETOR ☒ PARTNERSHIP ☐ CORPORATION
2. If partnership, give partner's name: LEONARD BELL
3. Number of employees: 15

INCOME AND EXPENSES

	1971 (JAN. 1-DEC. 31)	1972 (JAN. 1-DEC. 31)	1973 (JAN. 1-DEC. 31)
4. INCOME			
A. GROSS INCOME (receipts or sales)		$267000	$278000
B. COST OF GOODS SOLD and/or OPERATIONS			
C. GROSS PROFIT (4A minus 4B)		267000	278000
5. EXPENSES			
A. DEPRECIATION (Use straight line method only.)		$ 39000	$ 39000
B. TAXES ON BUSINESS AND BUSINESS PROPERTY (Do not include personal, federal, or state income taxes.)		25000	30000
C. RENT ON BUSINESS PROPERTY		15000	15000
D. SALARIES AND WAGES NOT INCLUDED IN 4B ABOVE (Do not include any paid to yourself.)		110000	120000
E. INSURANCE		6000	6000
F. COMMISSIONS			
G. BAD DEBTS FROM SALES OR SERVICES		6000	6000
OTHER BUSINESS EXPENSES (List below.)			
H. MAINTENANCE		8000	9000
I. LICENSE FEES		4000	4000
J.			
K.			
L. TOTAL BUSINESS EXPENSES		213000	229000
	1971		
6. NET PROFIT (4C minus 5L)	$ 51000	$ 54000	$ 49000
7A. YOUR SHARE OF NET PROFIT	$ 25500	$ 27000	$ 24500
8. YOUR DRAWING ACCOUNT OR SALARY	$ 0	$ 0	$ 0
9. TOTAL INCOME FROM BUSINESS (7A plus 7B) Enter amounts for 1972 and 1973 in ⊗ on the PCS.	$ 25500	$ 27000	$ 24500

ASSETS AND INDEBTEDNESS

	AS OF DECEMBER 31, 1971	AS OF DECEMBER 31, 1972	AS OF DECEMBER 31, 1973
9. CURRENT ASSETS			
A. CASH (business accounts only)		$ 5000	$ 6000
B. INVENTORIES		1000	1000
C. OTHER CURRENT ASSETS			
D. ACCOUNTS AND NOTES RECEIVABLE		24000	29000
SUBTOTAL		30000	36000
E. LESS RESERVE FOR BAD DEBTS		1000	1000
F. TOTAL CURRENT ASSETS (subtotal minus E)		29000	35000
10. FIXED ASSETS			
A. EQUIPMENT		695000	740000
B. LAND AND BUILDINGS		54000	54000
C. OTHER FIXED ASSETS		87000	87000
SUBTOTAL		836000	881000
D. LESS RESERVE FOR DEPRECIATION		429000	468000
E. TOTAL FIXED ASSETS (subtotal minus D)		407000	413000
	1971		
11. TOTAL ASSETS (9F plus 10E) Enter amount for 1973 in 21A on the PCS.	$ 450000	$ 436000	$ 448000
12. INDEBTEDNESS (Business only)			
A. ACCOUNTS AND NOTES PAYABLE	173000	186000	143000
B. ACCRUED EXPENSES	6000	4500	4000
C. MORTGAGE ON BUSINESS	196000	187000	165000
13. TOTAL INDEBTEDNESS Enter amount for 1973 in 21B on the PCS.	$ 375000	$ 377500	$ 312000
14. NET CAPITAL VALUE (11 minus 13)	$ 75000	$ 58500	$ 136000
15. YOUR PERCENTAGE OF OWNERSHIP OF TOTAL BUSINESS Enter amount in 21C on the PCS.			50 %

SIGNATURES OF: Edward Bell
BOTH PARENTS (OR GUARDIAN): Leonard Bell
DATE: Oct. 10, 1973

48

31-506 O - 74 - 10

Sample copy

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE

SUPPLEMENTARY INFORMATION REQUEST

IN REFERENCE TO THE PARENTS' CONFIDENTIAL STATEMENT FOR:

RESPOND ONLY TO THE ITEMS CHECKED (✓).

YOUR PARENTS' CONFIDENTIAL STATEMENT CANNOT BE PROCESSED UNTIL THIS FORM HAS BEEN RETURNED.

TO THE PARENTS OR GUARDIAN OF
KENNETH J BELL
3768 RUNSON ROAD
CLEVELAND CA 4[illegible]454

10/15/73

RETURN TO: COLLEGE SCHOLARSHIP SERVICE
BOX 1501, BERKELEY, CALIFORNIA 94701

A128192 BELLKJ11022564567

The following items are needed to complete your Parents' Confidential Statement	For CSS Use Only	
EMERGENCY EXPENSE	+39	4400

WE AUTHORIZE THE TRANSFERRAL OF THE SPECIFIED ADDITIONAL INFORMATION TO OUR PARENTS' CONFIDENTIAL STATEMENT

SIGNATURES OF BOTH PARENTS OR GUARDIAN { _____ _____

DATE _____

The College Scholarship Service is an activity of the College Entrance Examination Board. Operational services are administered by Educational Testing Service.
Copyright © 1971 by Educational Testing Service. All rights reserved.

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-1975
CONFIDENTIAL

NAME OF APPLICANT LAST	FIRST	MI	SEX	DATE OF BIRTH			SOCIAL SECURITY NUMBER			No Per	No Chld	CLASS *	COLLEGE CODE	Rev	DATE PRINTED	UNUSUAL CONDITIONS **				CSS Identification No
BELL	KENNETH	J	M	10	22	56	222	34	4567	2	11	1R	4833		10-18	B	E	F		A12819

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	WORKING SPOUSE	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	23000	1400	430	0	1520	4400	0	600	8370	14630
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	CASH AND BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	12000	2000	68000	1500	10000	93500	0	93500	9471
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S ASSETS AND BENEFITS: SUMMER SAVINGS	ASSETS	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	24101	1150	3240	3	2230	400	500	0	0	0	3130

YEAR	INSTITUTIONAL BUDGETS: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER
1	2955	2190			0	0		

* CLASSIFICATION
1 = Two-parent family
2 = [illegible]
3 = [illegible]
4 = [illegible]
5 = [illegible]
6 = [illegible]
7 = [illegible]
** UNUSUAL CONDITIONS
A = [illegible]
B = [illegible]
C = [illegible]
D = [illegible]
E = [illegible]
F = [illegible]

Copyright © 1973 by
College Entrance Examination Board
All rights reserved. Printed in U.S.A.

INSTITUTIONAL ESTIMATE

1. Institutional budget
2. Institutional adjustment
3. TOTAL BUDGET
4. Parents' contribution
5. Applicant's summer savings
6. Applicant's assets
7. Applicant's benefits
8. TOTAL CONTRIBUTION
9. FINANCIAL NEED (line 3 minus 8)

FINANCIAL AID AWARD

GRANT

LOAN

JOB

PROBABLY NOT ELIGIBLE FOR BEOG

BEST COPY AVAILABLE

Description of Marge Cranston case

Marge is the oldest of three children in a family with sole ownership in a farm and a second source of income from Mr. Cranston's job as a part-time bus driver.

Except for federal and state income taxes, the Cranston family shows no other allowances against income.

Applying BEOG criteria particularly in regard to assets, the FNAR shows Marge as "probably not eligible for BEOG."

BEST COPY AVAILABLE

PARENTS' CONFIDENTIAL STATEMENT (PCS)
Academic Year 1974-75 A120349

Read instructions carefully before completing this form.
Do not send to CSS after December 1, 1974.

BOTH NAME AND CASE ARE FICTITIOUS

IMPORTANT: Check the box next to the number of colleges or scholarship programs entered in item 7 below and enclose the fee indicated.

1 [X] $3.75 3 [ ] $ 6.25 5 [ ] $12.75
2 [ ] $6.00 4 [ ] $10.50 6 [ ] $15.00

1a STUDENT APPLICANT: CRANSTON (LAST NAME) MARGE (FIRST NAME) C (MID. INIT.)
SEX: F [ ] M [X] DATE OF BIRTH: 11 (MO.) 13 (DAY) 55 (YEAR) SOCIAL SECURITY NUMBER: 111 22 0014

1b STUDENT'S HOME ADDRESS: BOX 147 (NUMBER AND STREET) GRANT (CITY) MONT (STATE) 00006 (ZIP CODE)

1c Is student married? NO [X] 1 YES [ ] 2
Is student a U.S. citizen? NO [ ] YES [X]
If no, what is student's visa status?

1d Student's year in college or postsecondary school during 1974-75 (check only one box): 1 [X] FIRST 2 [ ] SECOND 3 [ ] THIRD 4 [ ] FOURTH OR MORE

1e PARENTS (Check if living): 1 [X] FATHER 2 [X] MOTHER 3 [ ] STEPMOTHER 4 [ ] STEPFATHER
Check any that apply: 5 [ ] PARENTS SEPARATED 6 [ ] PARENTS DIVORCED 7 [ ] STUDENT HAS LEGAL GUARDIAN (other than parents) 8 [ ] FATHER UNABLE TO WORK
If other unusual family circumstances exist, explain in (3)

2 Enter complete names, addresses, and CSS code numbers of the colleges and scholarship programs to which copies of the PCS are to be sent. Do not leave name and address area blank. Obtain code numbers from the CSS Code List provided. If any college or program you designate is not listed, leave the CSS code number box blank.

NAME	CITY	STATE	CSS CODE NO.	NAME	CITY	STATE	CSS CODE NO.
UNIV OF MONTANA	MISSOULA	MONT	4489				

Father, Stepfather, or Guardian

3a NAME: BERNARD CRANSTON AGE: 50
HOME ADDRESS: BOX 147, GRANT, MONTANA
OCCUPATION: FARMER TITLE:
EMPLOYED BY: YEARS WITH COMPANY:
4a Do you have a retirement plan in addition to Social Security? YES [ ] NO [X]
5a Did or will you file a joint Federal income tax return?
5b How many dependent children (list by name in 3D), including the student, will you claim as Federal income tax exemptions? (Do not leave blank.) FOR 1973 3 FOR 1974 3
5c How many dependent children entered in 5B will be attending college in 1974-75? 1
5d How many other dependents (do not include anyone entered in 3A, 3B, 5B, 5C, or 3D) will you claim as Federal income tax exemptions? FOR 1973 0 FOR 1974 0
EXPLAIN ENTRIES IN ONE OR MORE (2)
6 Do you own all or part of a business, or are you a farm or ranch owner, operator, or farm tenant? NO [ ] 1 YES [X] 2
IF YES, COMPLETE SUPPLEMENTS A OR B BELOW, ALONG ON (1)

Mother, Stepmother, or Guardian

3b NAME: MARY CRANSTON AGE: 47
HOME ADDRESS: SAME
OCCUPATION: NONE TITLE:
EMPLOYED BY: YEARS WITH COMPANY:
4b Do you have a retirement plan in addition to Social Security? YES [ ] NO [ ]
5a Did or will you file a joint Federal income tax return? FOR 1973 YES [X] 3 NO [ ] FOR 1974 YES [ ] NO [ ]
5b How many dependent children (list by name in 3D), including the student, will you claim as Federal income tax exemptions? (Do not leave blank.) FOR 1973 3 FOR 1974 3
5c How many dependent children entered in 5B will be attending college in 1974-75? 1
5d How many other dependents (do not include anyone entered in 3A, 3B, 5B, 5C, or 3D) will you claim as Federal income tax exemptions? FOR 1973 0 FOR 1974 0

Parents' Annual Income and Expenses

ENTER ANNUAL AMOUNTS ONLY IN BOXES.

	TOTAL 1973	TOTAL 1972	ESTIMATED 1974
7 TAXABLE INCOME BEFORE DEDUCTIONS			
A. Wages, salaries, tips, etc. Father, stepfather, or male guardian	$ 4800	$ 4800	$ 4800
Mother, stepmother, or female guardian	$ 0	$ 0	$ 0
B. Dividends and interest (tax-exemptions)	$ 0	$ 0	$ 0
C. Net profit from business or farm	$ 1400	$ 2450	$ 2000
D. Other taxable payments (bonus and gain dollar amounts in (4))	$ 0	$ 0	$ 0
8 TOTAL TAXABLE INCOME (sum (5) (6) (7) (8) and (9))	$ 6200	$ 7250	$ 6800
9 BUSINESS EXPENSES (bonus and gain dollar amounts in (5)) (Do not include expenses entered in Supplement A or B)	$ 0	$ 0	$ 0
10 ADJUSTED TAXABLE INCOME (8 minus 9)	$ 6200	$ 7250	$ 6800
11 NONTAXABLE INCOME			
A. Social Security benefits (Report student's benefits only in 1974)	$ 0	$ 0	$ 0
B. Veterans benefits (Report student's benefits only in 1974)	$ 0	$ 0	$ 0
C. Welfare benefits (Report student's benefits only in 1974)	$ 0	$ 0	$ 0
D. Other nontaxable payments (bonus and gain dollar amounts in (6))	$ 0	$ 0	$ 0
12 TOTAL INCOME (sum of (10) (11) (12) and (13))	$ 6200	$ 7250	$ 6800
13 MEDICAL AND DENTAL EXPENSES NOT COVERED BY INSURANCE AND MEDICAL INSURANCE PREMIUMS (bonus and gain dollar amounts in (7))	$ 150	$ 240	$ 250
14 EMERGENCY EXPENSES (tax-exemptions, bonus and gain dollar amounts in (8))	$ 0	$ 0	$ 0
15 FEDERAL INCOME TAX PAID OR ESTIMATED TO BE PAID	$ 240	$ 330	
16 STATE INCOME TAX PAID OR ESTIMATED TO BE PAID	$ 20	$ 30	

Parents' Assets and Liabilities

ENTER INFORMATION IN BOXES.

	TOTAL TAX ASSESSMENT	ESTIMATE OF PRESENT MARKET VALUE	UNPAID MORTGAGE PRINCIPAL
17 HOME IS OWNED (if home not owned, enter "0" in boxes. Do not enter amounts entered on Supplement A or B.) YEAR PURCHASED 19 PURCHASE PRICE $	$	$	$
18 OTHER REAL ESTATE (Transfer total to (9)) Do not include amounts entered on Supplement A or B.	$	$	$
19 CASH, SAVINGS, AND CHECKING ACCOUNTS			$ 600
20 OTHER INVESTMENTS (present market value) (bonus and gain dollar amounts in (10))			$
21 BUSINESS OR FARM A. Total assets from Supplement A, line 11, or Supplement B, line 11			$ 30750
B. Total indebtedness from Supplement A, line 13, or Supplement B, line 15			$ 2750
C. Percent of ownership from Supplement A, line 15, or Supplement B, line 17			100 %
22 INDEBTEDNESS (See instructions; include some pension and gain dollar amounts in (11))			$
Amount of (22) to be paid during 1974			$
23 ANNUAL RENT OR MORTGAGE PAYMENTS ON FAMILY RESIDENCE (If none, explain in (3))			$
24 FACE VALUE OF PARENTS' LIFE INSURANCE POLICIES			$
25 TOTAL CAR INDEBTEDNESS (List make and year of female car in (3))			$ 1722

Student Applicant's Assets and Benefits

26 ASSETS (as of September 1, 1974)
A. SAVINGS (Do not include 1974 summer earnings) $ 0
B. OTHER (stock/securities, trusts, other liquid and nonliquid) $ 0

27 MONTHLY BENEFITS (Do not include payments between September 1, 1974 and June 1, 1975)
A. Social Security payments PER MONTH $ 0
B. Veterans or GI Bill payments PER MONTH $ 0
C. Other payments PER MONTH $ 0

BEST COPY AVAILABLE

Sample cases

STUDENT APPLICANT (PRINT) CRANSTON LAST NAME MARGE FIRST NAME C MIDDLE INITIAL

If the student is an entering freshman, complete only the 1974-75 columns of expenses and resources for 20 and 29.

20 TOTAL EXPENSES FOR STUDENT FOR: ☒ NINE ☐ TWELVE MONTHS ☒ RESIDENT ☐ COMMUTER

If the student is applying to more than one college, do not complete A, B, C, and H.

	1973-74 (ACTUAL)	1974-75 (ESTIMATED)
A. TUITION AND FEES	$	$ 475
B. STUDENT'S ROOM		900
C. STUDENT'S BOARD		
D. BOOKS AND SUPPLIES		150
E. CLOTHING, LINEN, AND LAUNDRY		200
F. RECREATION AND MEDICAL		200
G. OTHER PERSONAL EXPENSES		100
H. TRANSPORTATION (Only round the nation or on each form if a resident student, total commuting expense if a commuting student)		
TOTAL	$	$ 2025

29 TOTAL RESOURCES FOR STUDENT FOR: ☒ NINE ☐ TWELVE MONTHS

	FUNDS UTILIZED 1973-74 (ACTUAL)	FUNDS AVAILABLE 1974-75 (ESTIMATED)
A. RESOURCES FROM PARENTS	$	$ 200
B. GRANTS OR SCHOLARSHIPS (LIST SOURCES)		
		$
		$
C. EARNINGS FROM OFF CAMPUS SUMMER EARNINGS		300
D. TERM TIME OFF CAMPUS EARNINGS		
E. VETERANS (I.E. BILL BENEFITS)		
F. SOCIAL SECURITY BENEFITS		
G. EDUCATIONAL LOANS		$
H. OTHER SOURCES (LIST BELOW)		
TOTAL	$	$ 500

* Include in the 1974-75 column only the grants, scholarships, or loans you actually have been entitled

30 PROVIDE BELOW INFORMATION FOR ALL DEPENDENT CHILDREN YOU WILL CLAIM AS FEDERAL INCOME TAX EXEMPTIONS. The number of dependent children should be the same as that entered in 20 for 1973. If you need additional space, use 30

A. NAME (LIST STUDENT APPLICANT ON LINE 1)	B. AGE	C. CHECK IF LIVING WITH PARENT	D. NAME OF PRESENT SCHOOL OR COLLEGE 1973-74	E. YEAR IN SCHOOL OR COLLEGE 1973-74	F. TOTAL PLUS FEES	G. TOTAL AND BOARD AT COLLEGE	H. SCHOLARSHIPS OR GIFT AID	I. LOANS AND EMPLOYMENT	J. NAME OF INSTITUTION TO BE ATTENDED IN 1974-75 (LEAVE BLANK AND PRESENT APPLICANT)	K. CHECK APPROPRIATE AND IF ATTENDING IN 1974-75		
										PUBLIC SCHOOL	PRIVATE SCHOOL	COLLEGE
MARGE	17	x	GRANT HS	12	$	$	$	$	(SEE SPEC 2)			✓
SONNY	16	x	GRANT HS	11						x		
MERIBETH	14	x	GRANT HS	9						x		

31 USE THIS SPACE TO EXPLAIN ALL CIRCLED ITEMS AND ANY UNUSUAL CIRCUMSTANCES

7 PART TIME JOB AS BUS DRIVER.
25 1967 PLYMOUTH, 1970 CHEVY PICKUP

PARENTS' CERTIFICATION AND AUTHORIZATION

We declare that the information reported on this form, to the best of our knowledge, is true, correct, and complete. We authorize transmittal of copies of this form to the recipients named in Item 2 and its use by the CSS as described under "General Information." We agree that to verify information reported in this form the CSS or any of the named recipients may request or obtain an official photostatic copy of our latest federal income tax return. We further agree to provide, if requested, any other official documentation necessary to verify information reported on the Parents' Confidential Statement.

WARNING: If this form is to be used in the process of establishing eligibility for federal student aid funds, you should know that false statements or misrepresentation may subject the filer to a fine or imprisonment, or to both, under provisions of the United States Criminal Code.

To assist in the determination of financial need, we authorize the recipients named in Item 2 to discuss the information contained on this form with the student applicant. YES ☒ NO ☐

SIGNATURES OF Bernard Cranston
BOTH PARENTS (OR GUARDIAN) Mary Cranston
DATE October 10, 1973

▶▶ Be sure to enclose check or money order payable to CSS. $3.75 for first college or scholarship program listed and $2.25 for each additional listing. ◀◀

 BEST COPY AVAILABLE

Supplement B
Academic Year 1974-75

To be completed by farm or ranch owners, operators, or farm tenants. **B**

STUDENT APPLICANT: CRANSTON (LAST NAME) MARGE (FIRST NAME) C (MID. INIT.) (SEX) 11 13 55 (DATE OF BIRTH) 111220014 (SOCIAL SECURITY NUMBER)

STREET ADDRESS: BOX 147 CITY, STATE, ZIP CODE: GRANT, MONTANA 00006

Enter complete names, addresses, and CSS code numbers of the colleges and scholarship programs to which copies of the PCS are to be sent. Do not leave name and address area blank. Obtain code numbers from the CSS Code List provided. If any college or program you designate is not listed, leave the CSS code number box blank.

NAME	CITY	STATE	CSS CODE NO.	NAME	CITY	STATE	CSS CODE NO.
UNIV OF MONTANA	MISSOULA	MONT	4489				

FARM INFORMATION

LOCATION OF FARM: TOWNSHIP COUNTY STATE YEAR PURCHASED 19__

1 FARM IS: ☐ PARTNERSHIP ☐ CORPORATION ☒ SOLE OWNERSHIP

2 NONCASH BENEFITS
A. Do you live on the farm? ☐ NO ☒ YES
B. Your family dwelling is: ☒ OWNED ☐ RENTED ☐ RENT FREE

3 PRINCIPAL PRODUCTS: CORN, HAY, TRUCK CROPS

4 TOTAL ACRES OWNED: 150 Estimated present market value per acre: $75.00

A. NUMBER OF ACRES	OWNED	RENTED FROM OTHERS	RENTED TO OTHERS
Tillable	80	25	0
Nontillable pasture	0	0	0
Woodland and waste	70	0	0
Agricultural reserve	0	0	0
TOTAL	150	25	0

B. NUMBER OF ACRES: FARM CROPS 50 PRODUCTIVE DESIGNED UNDER RESERVED

INCOME AND EXPENSES

	1971 (JAN 1-DEC 31)	1972 (JAN 1-DEC 31)	1973 (JAN 1-DEC 31)
5 INCOME			
A. PROFIT (OR LOSS) ON SALES OF PURCHASED LIVESTOCK AND OTHER PURCHASED ITEMS		$ 7100	$ 7600
B. SALES OF MARKET LIVESTOCK, PRODUCE, BASES, AND OTHER FARM INCOME, excluding government payments			
C. GROSS PROFIT (5A plus 5B)		$ 7100	$ 7600
6 EXPENSES			
A. FARM EXPENSES OR DEDUCTIONS (From IRS Schedule F (1040), Part II, line 5C)		4650	3950
B. DEPRECIATION (Use straight line method only)		1050	1200
C. TOTAL FARM EXPENSES (6A plus 6B)		$ 5700	$ 5150
7 NET FARM PROFIT (5C minus 6C)		1400	2450
8 CAPITAL GAINS OR LOSSES from the sales or exchanges of livestock and farm machinery			
9 TOTAL NET FARM PROFIT (7 plus 8)	$ 2240	$ 1400	$ 2450
10 YOUR SHARE OF NET FARM PROFIT (Enter amounts for 1972 and 1973 on PCS)	$ 2240	$ 1400	$ 2450
11 ESTIMATE YOUR SHARE OF NET FARM PROFIT FOR 1974 (Enter amount in PCS on the PCS)			$ 2000

ASSETS AND INDEBTEDNESS

	AS OF DECEMBER 31, 1971	AS OF DECEMBER 31, 1972	AS OF DECEMBER 31, 1973
12 ASSETS			
A. LAND AND BUILDINGS (Include farm home)		$ 23750	$ 23750
B. FARM BANK ACCOUNTS			
C. ACCOUNTS RECEIVABLE			
D. MACHINERY AND OTHER EQUIPMENT		6200	5000
E. LIVESTOCK: CATTLE (BEEF) 15 (TYPE, NUMBER)		300	400
F. GRAIN, HAY, AND OTHER PRODUCTS		1100	1600
G. OTHER FARM ASSETS			
SUBTOTAL		31350	30750
H. LESS RESERVE FOR DEPRECIATION			
13 TOTAL ASSETS (subtotal minus 14) (Enter amount for 1971 in 7 of 10 on the PCS)	$ 30000	$ 31350	$ 30750
14 INDEBTEDNESS (farm only)			
A. MORTGAGE ON FARM			
B. ACCOUNTS PAYABLE			
C. DEBTS ON MACHINERY AND EQUIPMENT			
D. FARM CHARGE ACCOUNTS		2900	2750
E. OTHER FARM DEBTS			
15 TOTAL INDEBTEDNESS (Enter amount for 1971 in 7 of 10 on the PCS)	$ 3050	$ 2900	$ 2750
16 NET FARM VALUE (13 minus 15)	$ 26950	$ 28450	$ 28000
17 YOUR PERCENTAGE OF OWNERSHIP OF TOTAL FARM (Enter amount in 2 of 10 on the PCS)			100%

SIGNATURES OF: Bernard Cranston
BOTH PARENTS (OR GUARDIAN): Mary Cranston
DATE: October 10, 1973

BEST COPY AVAILABLE

Sample cases

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-1975

CONFIDENTIAL

NAME OF APPLICANT LAST	FIRST	M.I.	SEX	DATE OF BIRTH			SOCIAL SECURITY NUMBER			No. Per	No. Child	CLASS *	COLLEGE CODE	Rev	DATE PRINTED	UNUSUAL CONDITIONS * *				CSS Identification No.
CRANSTON	MARGE	C	F	11	13	55	111	22	0014	2	3	1R			10-18					A12034

YEAR	COMPUTATION OF EFFECTIVE INCOME: NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	WORKING SPOUSE	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	7250	330	30	0	0	0	0	0	360	6890
2										
3										
4										

YEAR	COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS ASSETS: RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	CASH AND BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	0	0	28000	600	0	28600	0	28600	2000
2									
3									
4									

YEAR	COMPUTATION OF TOTAL FAMILY CONTRIBUTION: ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS CONTRIBUTION FOR APPLICANT	APPLICANT'S ASSETS AND BENEFITS: SUMMER SAVINGS	ASSETS	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	8890	480	0	1	480	300	0	0	0	0	780

YEAR	INSTITUTIONAL BUDGETS: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER

*** CLASSIFICATION**

1 = Two-parent family
2 = Separated or divorced two-parent family
3 = Father sole support
4 = Mother sole support, both deceased
5 = Mother sole support, deceased or divorced
6 = Unusual conditions, CSS recommendation individual analysis
M = Married applicant
R = Business or farm case
Y = Family independence process needed

*** * UNUSUAL CONDITIONS**

A = Taxpayer has exemption for 1973 standard tax credit
B = Federal tax for 1973 is less than 20% of adjusted gross income for 1973
C = Federal tax for 1973 exceeds standard tax by 10% or more
D = Increase tax for 1974 differs by $1,000 from 1973 income support review
E = Business contributions reduce income by $100 or more
F = Medical expenses reduce income by $100 or more
P = Medical expenses reduce income by $100 or more

Copyright © 1973 by College Entrance Examination Board
All rights reserved. Printed in U.S.A.
I-N 3101/20

INSTITUTIONAL ESTIMATE

1. Institutional budget _____
2. Institutional allotment _____
3. TOTAL BUDGET _____
4. Parents contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Applicant's benefits _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (line 3 minus 8) _____

PROBABLY NOT ELIGIBLE FOR BEOG

FINANCIAL AID AWARD

GRANT _____
_____
_____
LOAN _____
_____
JOB _____

BEST COPY AVAILABLE

Description of Joan Millston case

Joan, a single student, is applying for financial assistance for her second year. Joan's parents are not living. Her income results solely from wages, she has limited assets, and her debts include payments for an automobile and a clothes dryer.

The SFNAR provides a comparison of need between student-reported data and SFS national averages against the college budgets provided by the institution and the appropriate Guaranteed Student Loan data. Also, the SFNAR shows that Joan is possibly eligible for a BEOG.

BEST COPY AVAILABLE

STUDENT'S FINANCIAL STATEMENT
Academic Year 1974-75 S205873

Read instructions on back page carefully before completing this form

BOTH NAME AND CASE ARE FICTITIOUS.

IMPORTANT Check the box next to the number of postsecondary institutions and scholarship programs entered on item 18 below and enclose the fee indicated:

1 ☒ $3.75 3 ☐ $8.25 5 ☐ $12.75
2 ☐ $6.00 4 ☐ $10.50 6 ☐ $15.00

1. STUDENT'S NAME: MILLSTON (LAST NAME) JOAN (FIRST NAME) — MID. INIT. — SEX: 1 ☐ M 2 ☒ F — DATE OF BIRTH: 10 (MONTH) 22 (DAY) 43 (YEAR) — SOCIAL SECURITY NUMBER: 234006842

2. STUDENT'S HOME ADDRESS: 2727 36th AVE #272 (NUMBER, STREET AND APARTMENT NUMBER) — DETROIT (CITY) MICH (STATE) 04545 (ZIP CODE)

3. Is student a U.S. citizen? YES ☒ NO ☐ — If no, what is student's visa status?

4. Student normally lives: ☒ alone ☐ with parent(s) ☐ with spouse (husband or wife) ☐ with roommate(s) ☐ with relative(s)

5. Student's year in college or school during 1974-75 (Check only one): 1 ☐ FIRST (freshman) 2 ☒ SECOND (sophomore) 3 ☐ THIRD (junior) 4 ☐ FOURTH OR FIFTH (undergraduate) 5 ☐ GRADUATE PROFESSIONAL

6. Name of institution student attended in 1973-74: WAYNE STATE

7. Did or will student live with parents or guardians at any time during 1973, 1974, or 1975? (Exclude brief holiday periods.) Yes ☐ 1 No ☒ 2

8. Did or will student receive $600 or more of financial support from parents or guardians during 1973, 1974, or 1975? Yes ☐ 1 No ☒ 2

9. Was (or will) the student (be listed as an exemption on parents' or guardians' federal income tax return during 1973, 1974, or 1975? Yes ☐ 1 No ☒ 2

10. Check all that apply:
1 ☒ Father deceased
2 ☒ Mother deceased
3 ☐ Parents separated or divorced
☐ Parents totally disabled
☐ Other special circumstances. Explain in (70)

11. Was student during the preceding 12 months (a) needed with, (b) been claimed as a dependent for federal income tax purposes by, or (c) been the recipient of an amount in excess of $600 from one (or both) parents? Yes ☐ 1 No ☒ 2

12. Student's marital status (Check only one): 1 ☒ Single 2 ☐ Married 3 ☐ Divorced, separated, or widowed

13. If student is married OR is the head of household, answer (a), (b), and (c):
(a) Number of dependent children → --
(b) Number of other dependents (DO NOT INCLUDE spouse) → --
(c) Date of marriage — MONTH DAY YEAR

14. Enter below name and age of anyone entered in 13(a) and 13(b):

NAME	AGE	NAME	AGE	NAME	AGE	NAME	AGE	NAME	AGE

15. Spouse's name / Spouse's occupation

16. If spouse will be a student during 1974-75, check year in college or school (Check only one): ☐ FIRST (freshman) ☐ SECOND (sophomore) ☐ THIRD (junior) ☐ FOURTH OR FIFTH (undergraduate) ☐ GRADUATE PROFESSIONAL

17. Institution spouse will attend during 1974-75:

NAME	CITY	STATE	CSS USE ONLY	NAME	CITY	STATE	CSS USE ONLY
WAYNE STATE UNIVERSITY	DETROIT	MI	1199				

19. Check only one. **Student's expenses and resources below are for** → 1 ☐ nine months 2 ☒ twelve months

Enter information in boxes only. Do not enter monthly amounts.	1973-74	ESTIMATED 1974-75
20. Student's tuition, fees, books, and supplies (See instructions.)	$ 550	$ 550
21. Spouse's tuition, fees, books, and supplies	$ 0	$ 0
22. Rent, mortgage, or room, including utilities	$ 1000	$ 1000
23. Food or board and household supplies	$ 900	$ 900
24. Clothing, laundry, and cleaning	$ 300	$ 300
25. Transportation	$ 200	$ 200
26. Medical and dental (Itemize in (70))	$ 200	$ 200
27. Other expenses (Itemize in (70))	$ 0	$ 0
28. TOTAL	$ 3150	$ 3150

Enter information in boxes only. Do not enter monthly amounts.	1973-74	ESTIMATED 1974-75
29. Support from student's parents	$ 0	$ 0
30. Support from spouse's parents	$ 0	$ 0
31. Student's wages, salaries, tips, etc.	$ 2100	$ 2100
32. Spouse's wages, salaries, tips, etc.	$ 0	$ 0
33. Other taxable income (Itemize in (70))	$ 0	$ 0
34. Social security benefits	$ 0	$ 0
35. Veterans—GI Bill benefits	$ 0	$ 0
36. Other nontaxable income and benefits (Itemize in (70))	$ 230	$ 230
37. Grants, scholarships, educational loans, and college work-study (Itemize, give source and dollar amount in (70))	$ 800	
38. TOTAL	$ 3130	$ 2330

Enter information in boxes only.	ESTIMATE OF PRESENT MARKET VALUE	ANNUAL MORTGAGE PAYMENTS
39. Home if owned or being purchased (YEAR PURCHASED 19 ___ PURCHASE PRICE $ ___)	$ 0	$ 0
40. Other real estate (Describe in (70))	$ 0	$ 0
41. Cash, savings, and checking accounts		$ 150
42. Other investments (present market value): Itemize and give dollar amounts in (70)		$ 0

Enter information in boxes only	
43. Business or farm, if owned (Complete (a), (b), and (c) below.)	
(a) Total assets of business or farm	$ 0
(b) Total indebtedness of business or farm	$ 0
(c) Percent of ownership of business or farm	0 %
44. Other indebtedness (Itemize and give dollar amounts in (70)): Direct mortgages on residence and other real estate, business indebtedness, and previously incurred educational loans	$ 900

BEST COPY AVAILABLE

Sample cases

45 Name	Age
46 Home address	
47 Occupation	Title
48 Do you have a retirement plan in addition to Social Security? → Yes ☐ No ☐	
49 Name	Age
50 Home address	
51 Occupation	Title
52 Do you have a retirement plan in addition to Social Security? → Yes ☐ No ☐	

53 How many dependent children, **including the student**, did or will you claim as federal income tax exemptions (Do not leave blank. If no tax return was filed, enter the number of children you support.) for 1973? ☐ for 1974? ☐

54 How many dependent children entered in 53 will be attending college or postsecondary school in 1974-75? → ☐

56 How many other dependents did or will you claim as federal income tax exemptions (Do not include anyone entered in 45, 49, 53, or 54. Explain entries of one or more in (70).) for 1973? ☐ for 1974? ☐

Enter annual amounts in boxes only	1973	ESTIMATED 1974
(56) Wages, salaries, tips, etc. (a) Father, stepfather, or male guardian →	$	$
(b) Mother, stepmother, or female guardian →	$	$
(57) Other taxable income (dividends, interest, pensions, alimony received, etc.) →	$	$
(58) Nontaxable income (social security, veterans or welfare benefits, child support, etc.) →	$	$
(59) Business expenses (Itemize and give dollar amounts in (70).) →	$	$
(60) Medical and dental expenses not covered by insurance and medical insurance premiums (Itemize and give dollar amounts in (70).) →	$	$
(61) Emergency expenses (See instructions. Itemize and give dollar amounts in (70).) →	$	$
62 Federal income tax paid or estimated to be paid →	$	$
63 State income tax paid or estimated to be paid →	$	$

Enter information in boxes only	ESTIMATE OF PRESENT MARKET VALUE	UNPAID MORTGAGE PRINCIPAL
64 Home if owned or being purchased → YEAR PURCHASED 19____ PURCHASE PRICE $____	$	$
(65) Other real estate (Describe in (70).) →	$	$
66 Cash, savings, and checking accounts →		$
(67) Other investments (present market value) (Itemize and give dollar amounts in (70).) →		$
(68) Business or farm, if owned (Complete (a), (b), and (c) below.) (a) Total assets of business or farm →		$
(b) Total indebtedness of business or farm →		$
(c) Percent of ownership of business or farm →		%
(69) Other indebtedness (See instructions. Itemize and give dollar amounts in (70).) →	$	

(70) **Use this space to explain all circled items and any unusual circumstances.**

26 Health insurance and a few small doctor bills.

36 Tax refund.

37 NDSL award.

44 $10/month for clothes dryer and $65/month for car.

I (We) declare that the information reported is true, correct, and complete. I (We) authorize a reexamination of copies of this form to the recipients named in item 18 and its use by the CSS as described under "General information." I (We) agree that to verify information reported, the CSS or any of the named recipients may request or obtain an official photocopy copy of our latest federal income tax return. I (We) further agree to provide, if requested, any other official documentation necessary to verify information reported.

Signature(s) of student and spouse Joan Millstone Oct. 20, 1973 DATE

I (We) declare that the responses to items 1, 6, 8, 12, and 11 and the parental information reported is true, correct, and complete. I (We) agree that to verify the information reported, the CSS or any of the named recipients may request or obtain an official photocopy copy of our latest federal income tax return. I (We) further agree to provide, if requested, any other official documentation necessary to verify the information reported.

Signatures of both parents (or guardian) _____ DATE

WARNING: If this form is to be used in the process of establishing eligibility for federal student aid funds, you should know that false statements or misrepresentation may subject the filer to a fine or imprisonment, or to both, under provisions of the United States Criminal Code.

Be certain to enclose check or money order payable to CSS. $3.75 for the first postsecondary institution or scholarship program listed and $2.25 for each additional listing.

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

STUDENT'S FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-75
CONFIDENTIAL

STUDENT'S INFORMATION

Name of Student: Last	First	M.I.	Sex	Date of Birth	Age	Social Security Number	Year in College	Marital Status	Number of Children	No. Other Dependents	** Dependency Status	Duration of Budget (Months)	Date Printed	CSS Identification Number	College Code
MILLSTON	JOAN		F	10 22 43	30	234 00 6842	2	1			2	12	11/01	S205873	1898

COMPUTATION OF STUDENT'S CONTRIBUTION FROM INCOME AND BENEFITS

Taxable Income	Federal, State, and Social Security Taxes	Working Spouse	Other Dependents	Total Allowances	Taxable Income After Allowances	Social Security and Veterans Benefits	Other Non-taxable Income and Benefits	Summary of Resources: Contribution from Income and Benefits	Institutional Adjustment
2100	260	0	0	260	1840	0	230	2070	$

COMPUTATION OF STUDENT'S CONTRIBUTION FROM ASSETS

Residence & Other Real Estate Equity	Business or Farm Equity	Cash and Bank Accounts	Other Investments	Total Assets	Debt Outstanding	Net Worth	Asset Allowance	Conversion %	Contribution from Assets	
0	0	150	0	150	900	0	1200	20	0	$

COMPUTATION OF PARENTS' EFFECTIVE INCOME

Net Income	Federal Income Tax	State Income Tax	Working Spouse	Medical Expenses	Emergency Expenses	Indebtedness	Other Dependents	Total Allowances	Effective Income

POSSIBLY ELIGIBLE FOR BEOG

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

Residence & Other Real Estate Equity	Business or Farm Equity	Cash and Bank Accounts	Other Investments	Total Assets	Debt Outstanding	Net Worth	Retirement Allowance	Conv. %	Income Supplement

PARENTS' INFORMATION

Number of Parents	Number of Children	Number of Other Dependents	*** Unusual Conditions

COMPUTATION OF PARENTS' CONTRIBUTION

Adjusted Effective Income	For Student's Maintenance	From Discretionary Income	Number of Children in College	Parents' Contribution for Student	Contribution from Parents'	
						$

Student's Total Resources	
2070	$

STUDENT'S EXPENSES AND ESTIMATES OF NEED

	Student Reported	SFS National Average	Institutional ①	Institutional ②	Institutional Adjustments
Student's Tuition, Fees, Books, and Supplies	$ 550	$ 600			$
Spouse's Tuition, Fees, Books, and Supplies	$ 0	$ 0			$
Rent, Mortgage, or Room, incl. Utilities	$ 1000	$ 870			$
Food or Board and Household Supplies	$ 900	$ 600			$
Clothing, Laundry, and Cleaning	$ 300	$ 250			$
Transportation	$ 200	$ 300			$
Medical and Dental	$ 200	$ 110			$
Other Expenses	$ 0	$ 340			$
TOTAL EXPENSES	3150	3070	3000	3500	
TOTAL RESOURCES	2330	2070	2070	2070	
ESTIMATED FINANCIAL NEED	820	1000	930	1430	

*** MARITAL STATUS**

1 - Single
2 - Separated, divorced or widowed
3 - Married
4 - Single or separated, divorced or widowed, but data for spouse shown

**** DEPENDENCY STATUS**

1 - Self-supporting: parents' information reported
2 - Self-supporting: parents' information not reported
3 - Self-supporting: parents' support in item 20
4 - Dependent: parents' information reported
5 - Dependent: parents' information not reported
6 - CSS unable to determine

***** UNUSUAL CONDITIONS**

A - No federal tax reported for 1973; standard tax used
B - Federal tax reported for 1973 is less than 60% of standard tax reported tax used
C - Federal tax for 1973 exceeds standard tax by 10% or more; standard tax used
E - Business expenses reduce parents' contribution by $100 or more; suggest review
F - Medical expenses reduce parents' contribution by $100 or more; suggest review
G - Emergency expenses reduce parents' contribution by $100 or more; suggest review
☐ - To be completed by institution

GUARANTEED STUDENT LOAN DATA

** Status: 2	Resident or ①	Commuter or ②
Cost of Education	3000	3500
Financial Aid and Other Resources		
Support from Family	2070	2070
Recommended Loan Amount		

Copyright © 1973 by College Entrance Examination Board. All rights reserved.

BEST COPY AVAILABLE

Description of Terry Reynolds case

Terry is a 27-year-old married student, who will begin working toward a graduate degree. His wife is also a student and contributes toward their resources through earnings from a part-time job. The Reynoldses have two preschool age children.

While Terry's responses on the SFS indicate that he meets the generally accepted criteria for establishing a self-supporting student status, the parents are able to contribute $2,200 toward his expenses.

A further examination of the SFNAR reveals that a substantial contribution from student assets is expected. The SFNAR also provides estimates of need based on student-reported data, SFS national averages, and college budgets.

BEST COPY AVAILABLE

STUDENT'S FINANCIAL STATEMENT
Academic Year 1974-75

S121369

Read instructions on back page carefully before completing this form.

BOTH NAME AND CASE ARE FICTITIOUS

IMPORTANT: Check the box next to the number of postsecondary institutions and scholarship programs entered in item 19 below and enclose the fee indicated.

1 ☒ $3.75 3 ☐ $ 8.25 5 ☐ $12.75
2 ☐ $6.00 4 ☐ $10.50 6 ☐ $15.00

1. STUDENT'S NAME: REYNOLDS (LAST NAME) TERRY (FIRST NAME) B (MID INIT)
SEX: 1 ☒ M 2 ☐ F
DATE OF BIRTH (MONTH DAY YEAR): 03 24 46
SOCIAL SECURITY NUMBER: 342 15 9038

2. STUDENT'S HOME ADDRESS: 1852 SMITH (NUMBER STREET AND APARTMENT NUMBER)
WESTMONT (CITY) OHIO (STATE) 43218 (ZIP CODE)

3. Is student a U.S. citizen? YES ☒ NO ☐
If no, what is student's visa status?

4. Student normally lives:
☐ alone ☐ with parent(s)
☒ with spouse (husband or wife) ☐ with roommate(s)
☐ with relative(s)

5. Student's year in college or school during 1974-75 (Check only one):
FIRST (freshman) 1 ☐ SECOND (sophomore) 2 ☐ THIRD (junior) 3 ☐ FOURTH OR FIFTH (undergraduate) 4 ☐ GRADUATE, PROFESSIONAL 5 ☒

6. Name of institution student attended in 1973-74: FREDLUND STATE

7. Did or will student live with parents or guardians at any time during 1973, 1974, or 1975? (Exclude brief holiday periods.) Yes ☐ 1 No ☒ 2

8. Did or will student receive $800 or more of financial support from parents or guardians during 1973, 1974, or 1975? Yes ☐ 1 No ☒ 2

9. Was (or will) the student (be) listed as an exemption on parents' or guardians' federal income tax return during 1973, 1974, or 1975? Yes ☐ 1 No ☒ 2

10. Check all that apply:
1 ☐ Father deceased
2 ☐ Mother deceased
3 ☐ Parents separated or divorced
☐ Parents totally disabled
☐ Other special circumstances (Explain in 70)

11. Has student during the preceding 12 months (a) resided with, (b) been claimed as a dependent for federal income tax purposes by, or (c) been the recipient of an amount in excess of $800 from, one (or both) parents? Yes ☐ 1 No ☒ 2

12. Student's marital status (Check only one):
1 ☐ Single
2 ☒ Married
3 ☐ Divorced, separated, or widowed

13. If student is married OR is the head of household, answer (a), (b), and (c):
(a) Number of dependent children → 2
(b) Number of other dependents (DO NOT INCLUDE spouse) → 0
(c) Date of marriage: 03 (MONTH) 05 (DAY) 69 (YEAR)

14. Enter below name and age of anyone entered in 13(a) and 13(b):

NAME	AGE	NAME	AGE	NAME	AGE	NAME	AGE	NAME	AGE
JAMES E.	3	TERRY, JR.	1						

15. Spouse's name: BARBARA M. REYNOLDS
Spouse's occupation: STUDENT

16. If spouse will be a student during 1974-75, check year in college or school (Check only one):
FIRST (freshman) ☐ SECOND (sophomore) ☐ THIRD (junior) ☒ FOURTH OR FIFTH (undergraduate) ☐ GRADUATE, PROFESSIONAL ☐

17. Institution spouse will attend during 1974-75: FREDLUND STATE

NAME	CITY	STATE	CSS USE ONLY	NAME	CITY	STATE	CSS USE ONLY
CASE WESTERN RESERVE	CLEVELAND	OHIO	MS				

19. Check only one. Student's expenses and resources below are for → 1 ☐ nine months 2 ☒ twelve months

Enter information in boxes only. Do not enter monthly amounts.	1973-74	ESTIMATED 1974-75
20. Student's tuition, fees, books, and supplies (See instructions.)	$ 1050	$ 3300
21. Spouse's tuition, fees, books, and supplies	$ 900	$ 1000
22. Rent, mortgage, or room, including utilities	$ 1300	$ 1300
23. Food or board and household supplies	$ 1800	$ 2000
24. Clothing, laundry, and cleaning	$ 300	$ 300
25. Transportation	$ 200	$ 100
26. Medical and dental (Itemize in 70.)	$ 400	$ 400
27. Other expenses (Itemize in 70.)	$ 900	$ 1200
28. TOTAL	$ 6850	$ 9600

Enter information in boxes only. Do not enter monthly amounts.	1973-74	ESTIMATED 1974-75
29. Support from student's parents	$ 500	$ 500
30. Support from spouse's parents	$ 0	$ 0
31. Student's wages, salaries, tips, etc.	$ 2500	$ 2000
32. Spouse's wages, salaries, tips, etc.	$ 1000	$ 1000
33. Other taxable income (Itemize in 70.)	$ 0	$ 0
34. Social security benefits	$ 0	$ 0
35. Veterans—GI Bill benefits	$ 1600	$ 1600
36. Other nontaxable income and benefits (Itemize in 70.)	$ 250	$ 250
37. Grants, scholarships, educational loans, and college work-study (Itemize, give source and dollar amount in 70.)	$ 0	
38. TOTAL	$ 5850	$ 5350

Enter information in boxes only	Estimate of present market value	Unpaid principal
39. Home if owned or being purchased. YEAR PURCHASED 19 59 PURCHASE PRICE $ 4,000	$ 6000	$ 0
40. Other real estate (Describe in 70.)	$ 0	$ 0
41. Cash, savings, and checking accounts		$ 2000
42. Other investments (present market value) (Itemize and give dollar amounts in 70.)		$ 2000

Enter information in boxes only	
43. Business or farm, if owned (Complete (a), (b), and (c) below.)	
(a) Total assets of business or farm	$ 0
(b) Total indebtedness of business or farm	$ 0
(c) Percent of ownership of business or farm	0 %
44. Other indebtedness (Itemize and give dollar amounts in 70. Omit mortgages on residence and other real estate, business indebtedness, and previously incurred educational loans.)	$ 0

BEST COPY AVAILABLE

Sample cases

45 Name RALPH P. REYNOLDS Age 50
46 Home address 1442 CONCORD PLACE, COLUMBUS, OHIO
47 Occupation TEACHER Title
48 Do you have a retirement plan in addition to Social Security? ▶ Yes ☐ No ☒
53 How many dependent children, including the student, did or will you claim as federal income tax exemptions (Do not leave blank. If no tax return was filed, enter the number of children you support) for 1973? 3 for 1974? 3
54 How many dependent children entered in 53 will be attending college or postsecondary school in 1974-75? ▶ 2

49 Name MARTHA REYNOLDS Age 45
50 Home address SAME
51 Occupation TEACHER Title
52 Do you have a retirement plan in addition to Social Security? ▶ Yes ☐ No ☒
55 How many other dependents did or will you claim as federal income tax exemptions (Do not include anyone entered in 48, 49, 53 or 54. Explain entries of one or more in (70)) for 1973? 0 for 1974? 0

Enter annual amounts in boxes only

	1973	ESTIMATED 1974
(56) Wages, salaries, tips, etc. (a) Father, stepfather, or male guardian ▶	$ 8750	$ 8750
(b) Mother, stepmother, or female guardian ▶	$ 8750	$ 8750
(57) Other taxable income (dividends, interest, pensions, alimony received, etc.) ▶	$ 1000	$ 1000
(58) Nontaxable income (social security, veterans or welfare benefits, child support, etc.) ▶	$ 0	$ 0
(59) Business expenses (Itemize and give dollar amounts in (70)) ▶	$ 0	$ 0
(60) Medical and dental expenses not covered by insurance and medical insurance premiums (Itemize and give dollar amounts in (70)) ▶	$ 1000	$ 1000
(61) Emergency expenses (See instructions. Itemize and give dollar amounts in (70)) ▶	$ 0	$ 0
62 Federal income tax paid or estimated to be paid ▶	$ 1100	$ 1100
63 State income tax paid or estimated to be paid ▶	$ 50	$ 50

Enter information in boxes only

	ESTIMATE OF PRESENT MARKET VALUE	ANNUAL MORTGAGE PRINCIPAL
64 Home if owned or being purchased — YEAR PURCHASED 19 50 PURCHASE PRICE $ 11,000 ▶	$ 25000	$ 5000
(66) Other real estate (Describe in (70)) ▶	$ 0	$ 0
66 Cash, savings, and checking accounts ▶		$ 4000
(67) Other investments (present market value) (Itemize and give dollar amounts in (70)) ▶		$ 2000
(68) Business or farm, if owned (Complete (a), (b), and (c) below) (a) Total assets of business or farm ▶		$ 0
(b) Total indebtedness of business or farm ▶		$ 0
(c) Percent of ownership of business or farm ▶		%
(69) Other indebtedness (See instructions. Itemize and give dollar amounts in (70)) ▶	$ 2000	

(70) Use this space to explain all circled items and any unusual circumstances.

27 $600 for child care and $600 that is provided each year to my wife's mother.

36 Income tax refund.

42 Stocks and bonds.

57 Interest from savings and investments.

60 Medical insurance, doctor and dentist bills.

67 Stocks and bonds.

69 Expenses resulting from father going to school.

I (We) declare that the information reported is true, correct, and complete. I (We) authorize transmittal of copies of this form to the recipients named in item 18 and its use for the CSS as described under "General information." I (We) agree that to verify information reported, the CSS or any of the named recipients may request or obtain an official photostatic copy of our latest federal income tax return. I (We) further agree to provide, if requested, any other official documentation necessary to verify the information reported.

Signature(s) of student and spouse Henry P. Reynolds Barbara M. Reynolds 10/10/73

WARNING: If this form is to be used in the process of establishing eligibility for federal student aid funds, you should know that false statements or misrepresentation may subject the filer to a fine or imprisonment, or to both, under provisions of the United States Criminal Code.

I (We) declare that the responses to items 1, 6, 8, 10, and 11, and the parental information reported is true, correct, and complete. I (We) agree that to verify the information reported, the CSS or any of the named recipients may request or obtain an official photostatic copy of our latest federal income tax return. We further agree to provide, if requested, any other official documentation necessary to verify the information reported.

Signature(s) of both parents (or guardian) R. P. Reynolds Martha Reynolds 10/10/73

Be certain to enclose check or money order payable to CSS, $3.75 for the first postsecondary institution or scholarship program listed and $2.25 for each additional listing.

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

STUDENT'S FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-75
CONFIDENTIAL

STUDENT'S INFORMATION

Name of Student: Last	First	M.I.	Sex	Date of Birth	Age	Social Security Number	Year in College	Marital Status	Number of Dependents	No. Dependent Children	Number Earners	Dependency Status	Date Printed	CSS Identification Number	College Code
REYNOLDS	TERRY	B	M	03 24 46	27	342 15 9038	5	3	2	0	13	12	10/17	S121349	1105

COMPUTATION OF STUDENT'S CONTRIBUTION FROM INCOME AND BENEFITS

Taxable Income	Federal, State, and Social Security Taxes	Working Spouse	Other Dependents	Total Allowances	Taxable Income After Allowances	Social Security and Veterans Benefits	Other Non-taxable Income and Benefits	Summary of Resources: Contribution from Income and Benefits	Institutional Adjustment
3000	170	500	0	670	2330	1600	250	= 4180	$

COMPUTATION OF STUDENT'S CONTRIBUTION FROM ASSETS

Residence & Other Real Estate Equity	Business or Farm Equity	Cash and Bank Accounts	Other Investments	Total Assets	Debt Outstanding	Net Worth	Asset Allowance	Conversion %	Contribution from Assets	
6000	0	2000	2000	10000	0	10000	800	25	= 2300	$

COMPUTATION OF PARENTS' EFFECTIVE INCOME

Net Income	Federal Income Tax	State Income Tax	Working Spouse	Medical Expenses	Emergency Expenses	Indebtedness	Other Dependents	Total Allowances	Effective Income
18500	1100	50	1500	70	0	0	0	2720	15780

INELIGIBLE FOR BEOG BASED ON SCH YR

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

Residence & Other Real Estate Equity	Business or Farm Equity	Cash and Bank Accounts	Other Investments	Total Assets	Debt Outstanding	Net Worth	Retirement Allowance	Conv. %	Income Supplement
20000	0	4000	2000	26000	2000	24000	8600	10	1540

PARENTS' INFORMATION

Number of Parents	Number of Children	Number of Other Dependents	*** Unusual Conditions
2	3	0	B

COMPUTATION OF PARENTS' CONTRIBUTION

Adjusted Effective Income	For Student's Maintenance	From Discretionary Income	Number of Children in College	Parents Contribution for Student	Contribution from Parents
17320	1150	2110	2	2200	= $

STUDENT'S EXPENSES AND ESTIMATES OF NEED

	Student Reported	BFS National Average	Institutional ①	Institutional ②	Institutional Adjustments
Student's Tuition, Fees, Books, and Supplies	$ 3300	$ 3100			$
Spouse's Tuition, Fees, Books, and Supplies	$ 1000	$ 1000			$
Rent, Mortgage, or Room, incl. Utilities	$ 1300	$ 1750			$
Food or Board and Household Supplies	$ 2000	$ 1540			$
Clothing, Laundry, and Cleaning	$ 300	$ 460			$
Transportation	$ 100	$ 550			$
Medical and Dental	$ 400	$ 350			$
Other Expenses	$ 1200	$ 1230			$
TOTAL EXPENSES	9600	9980	8600	9100	
TOTAL RESOURCES	5350	6480	6480	6480	
ESTIMATED FINANCIAL NEED	4250	3500	2120	2620	

Student's Total Resources: 6480 $

* MARITAL STATUS
1. Single
2. Married, divorced or widowed
3. Married
4. Single or separated, divorced or widowed but sent for spouse shown

* DEPENDENCY STATUS
1. Self-supporting; parents' information not reported
2. Self-supporting; parents' information not reported
3. Self-supporting; parents' support in 1974-75
4. Dependent; parents' information reported
5. Dependent; parents' information not reported
6. CSS unable to determine

*** UNUSUAL CONDITIONS
A. No federal tax reported for 1973; standard tax used.
B. Federal tax reported for 1973 is less than 50% of standard tax; reported tax used.
C. Federal tax for 1973 exceeds standard tax by 10% or more; standard tax used.
E. Business expenses reduce parents' contribution by $100 or more; suggest review.
F. Medical expenses reduce parents' contribution by $100 or more; suggest review.
G. Emergency expenses reduce parents' contribution by $100 or more; suggest review.

☐ To be completed by institution

GUARANTEED STUDENT LOAN DATA

*** Status 1	Resident or 1	Commuter or 2
Cost of Education	8600	9100
Financial Aid and Other Resources		
Support from Family	6480	6480
Recommended Loan Amount		

Copyright © 1973 by College Entrance Examination Board. All rights reserved.

BEST COPY AVAILABLE

Description of Willard Wilson case

Willard is a 22-year-old married student, who will be entering his last year of college. Wanda, his wife, works full-time and contributes substantially toward the family resources. The Wilsons have one 18-month-old child.

The SFS indicates that Willard is dependent on his parents by the criteria established for the campus-based federal programs. As a result, the calculated parents' contribution has been included in "Total resources." On the other hand, Willard is considered a self-supporting student for purposes of the Guaranteed Student Loan Program, and the parents' contribution has been removed from "Total family support."

The SFNAR shows a modest expectation from assets. Various estimates of need are also presented on the SFNAR along with an indication that Willard is not eligible for the BEOG because it is his last year in a postsecondary institution.

31-506 O - 74 - 11

BEST COPY AVAILABLE

STUDENT'S FINANCIAL STATEMENT
Academic Year 1974-75

S173302

Read instructions on back page carefully before completing this form.

BOTH NAME AND CASE ARE FICTITIOUS

IMPORTANT Check the box next to the number of postsecondary institutions and scholarship programs entered in Item 18 below and enclose the fee indicated.

1: ☒ $3.75 2: ☐ $ 9.25 3: ☐ $12.75 4: ☐ $ 6.00 5: ☐ $10.50 6: ☐ $15.00

1. STUDENT'S NAME: WILSON (LAST NAME) WILLARD (FIRST NAME) A (MIDDLE INITIAL)
SEX: 1 ☒ M 2 ☐ F
DATE OF BIRTH: 09 (MONTH) 23 (DAY) 51 (YEAR)
SOCIAL SECURITY NUMBER: 232 118 721

2. STUDENT'S HOME ADDRESS: 2632 ASHMONT STREET (NUMBER, STREET AND APARTMENT NUMBER)
BEATTLEBORO (CITY) VT (STATE) 01233 (ZIP CODE)

3. Is student a U.S. citizen? YES ☒ NO ☐
If no, what is student's visa status?

4. Student normally lives:
☐ alone ☐ with parent(s)
☒ with spouse (husband or wife) ☐ with roommate(s)
☐ with relative(s)

5. Student's year in college or school during 1974-75 (Check only one.): 1 ☐ FIRST (freshman) 2 ☐ SECOND (sophomore) 3 ☐ THIRD (junior) 4 ☒ FOURTH OR FIFTH (undergraduate) 5 ☐ GRADUATE PROFESSIONAL

6. Name of institution student attended in 1973-74: WINDHAM COLLEGE

7. Did or will student live with parents or guardians at any time during 1973, 1974, or 1975? (Exclude brief holiday periods.) Yes ☐ 1 No ☒ 2

8. Did or will student receive $800 or more of financial support from parents or guardians during 1973, 1974, or 1975? Yes ☒ 1 No ☐ 2

9. Was (or will) the student (but listed as an exemption on parents' or guardians' federal income tax return during 1973, 1974, or 1975? Yes ☐ 1 No ☒ 2

10. Check all that apply:
1 ☐ Father deceased
2 ☐ Mother deceased
3 ☐ Parents separated or divorced
☐ Parents totally disabled
☐ Other special circumstances (Explain in 76)

11. Has student during the preceding 12 months (a) resided with, (b) been (claimed as a dependent for federal income tax purposes by, or (c) been the recipient of an amount in excess of $800 from one (or both) parents?
Yes ☐ 1
No ☒ 2

12. Student's marital status (Check only one.):
1 ☐ Single
2 ☒ Married
3 ☐ Divorced, separated, or widowed

13. If student is married OR is the head of household, answer (a), (b), and (c):
(a) Number of dependent children → 1
(b) Number of other dependents (DO NOT INCLUDE spouse.) → 0
(c) Date of marriage: 06 (MONTH) 06 (DAY) 71 (YEAR)

14. Enter below name and age of anyone entered in 13(a) and 13(b):

NAME	AGE	NAME	AGE	NAME	AGE	NAME	AGE
WILLARD, JR.	18mos.						

15. Spouse's name: WANDA MASON WILSON
Spouse's occupation: CLERK TYPIST

16. If spouse will be a student during 1974-75, check year in college or school (Check only one.): FIRST (freshman) ☐ SECOND (sophomore) ☐ THIRD (junior) ☐ FOURTH OR FIFTH (undergraduate) ☐ GRADUATE PROFESSIONAL ☐

17. Institution spouse will attend during 1974-75:

NAME	CITY	STATE	CSS USE ONLY	NAME	CITY	STATE	CSS USE ONLY
WINDHAM COLLEGE	PUTNEY	VT	$990				

19. Check only one. Student's expenses and resources below are for: 1 ☐ nine months 2 ☒ twelve months

Enter information in boxes only. Do not enter monthly amounts.	1973-74	ESTIMATED 1974-75
20. Student's tuition, fees, books and supplies (See instructions.)	$ 3060	$ 3160
21. Spouse's tuition, fees, books, and supplies	$ 0	$ 0
22. Rent, mortgage, or room, including utilities	$ 1200	$ 1500
23. Food or board and household supplies	$ 875	$ 875
24. Clothing, laundry, and cleaning	$ 300	$ 300
25. Transportation	$ 520	$ 520
26. Medical and dental (Itemize in 76.)	$ 200	$ 200
27. Other expenses (Itemize in 76.)	$ 750	$ 850
28. TOTAL	$ 6905	$ 7405

Enter information in boxes only. Do not enter monthly amounts.	1973-74	ESTIMATED 1974-75
29. Support from student's parents	$ 700	$
30. Support from spouse's parents	$ 0	$ 0
31. Student's wages, salaries, tips, etc.	$ 1850	$ 2010
32. Spouse's wages, salaries, tips, etc.	$ 3950	$ 4260
33. Other taxable income (Itemize in 76.)	$ 50	$ 40
34. Social security benefits	$ 0	$ 0
35. Veterans — GI Bill benefits	$ 0	$ 0
36. Other nontaxable income and benefits (Itemize in 76.)	$ 50	$ 50
37. Grants, scholarships, educational loans, and college work studio (Itemize and give source and dollar amount in 76.)	$ 0	
38. TOTAL	$ 6600	$ 6360

Enter information in boxes only.	1973-74	ESTIMATED 1974-75
39. Home, if owned or being purchased (YEAR PURCHASED 19__ PURCHASE PRICE $__)	$ 0	$ 0
40. Other real estate (Describe in 76.)	$ 0	$ 0
41. Cash, savings, and checking accounts		$ 600
42. Other investments (present market value) (Itemize and give dollar amounts in 76.)		$ 600

Enter information in boxes only.	
43. Business or farm, if owned. (Complete (a), (b), and (c) below.)	
(a) Total assets of business or farm	$ 0
(b) Total indebtedness of business or farm	$ 0
(c) Percent of ownership of business or farm	0 %
44. Other indebtedness (Itemize and give dollar amounts in 76. Omit mortgages on residence and other real estate, business indebtedness, and previously incurred educational loans.)	$ 200

BEST COPY AVAILABLE

Sample cases

45 Name: ROBERT WILSON — Age 49

46 Home address: 26 AIRLINE BOULEVARD, RUTLAND, VT

47 Occupation: MACHINIST — Title

48 Do you have a retirement plan in addition to Social Security? → Yes ☒ No ☐

53 How many dependent children, **including the student**, did or will you claim as federal income tax exemptions (Do not leave blank. If no tax return was filed, enter the number of children you support.) for 1973? 3 for 1974? 3

54 How many dependent children entered in 53 will be attending college or postsecondary school in 1974 (5)? → 1

49 Name: JENNY WILSON — Age 47

50 Home address: SAME

51 Occupation: HOUSEWIFE — Title

52 Do you have a retirement plan in addition to Social Security? → Yes ☐ No ☐

55 How many other dependents did or will you claim as federal income tax exemptions (Do not include anyone entered in 46, 49, 53, or 54. Explain entries of one or more in (70).) for 1973? 1 for 1974? 1

Enter annual amounts in boxes only

	1973	ESTIMATED 1974
56 Wages, salaries, tips, etc.		
(a) Father, stepfather, or male guardian	$ 12600	$ 13100
(b) Mother, stepmother, or female guardian	$ 0	$ 0
57 Other taxable income (dividends, interest, pensions, alimony received, etc.)	$ 50	$ 50
58 Nontaxable income (social security, veterans or welfare benefits, child support, etc.)	$ 0	$ 0
59 Business expenses (itemize and give dollar amounts in (70).)	$ 100	$ 100
60 Medical and dental expenses not covered by insurance and medical insurance programs (itemize and give dollar amounts in (70).)	$ 1200	$ 1200
61 Emergency expenses (See instructions; itemize and give dollar amounts in (70).)	$ 0	$ 0
62 Federal income tax paid or estimated to be paid	$ 1100	$ 1200
63 State income tax paid or estimated to be paid	$ 250	$ 280

Enter information in boxes only

	ESTIMATE OF PRESENT MARKET VALUE	ANNUAL MORTGAGE PAYMENT
64 Home if owned or being purchased — YEAR PURCHASED 19 48 PURCHASE PRICE $ 6,000	$ 16000	$ 0
65 Other real estate (Describe in (70).)	$ 0	$ 0
66 Cash, savings, and checking accounts		$ 200
67 Other investments (present market value) (Itemize and give dollar amounts in (70).)		$ 950
68 Business or farm, if owned (Complete (a), (b), and (c) below.)		
(a) Total assets of business or farm		$ 0
(b) Total indebtedness of business or farm		$ 0
(c) Percent of ownership of business or farm		0 %
69 Other indebtedness (See instructions; itemize and give dollar amounts in (70).)	$ 300	

(70) **Use this space to explain all circled items and any unusual circumstances.**

26 Checkup for medical and dental problems. Includes normal childhood illnesses that Willard, Jr. seems to catch.

27 Child care expenses so that Wanda can work. Based on 50 weeks at $17 per week.

33 Dividends from stock and interest from bank account.

36 Miscellaneous.

42 Eight shares of General Motors stock.

55 Claimed mother-in-law.

57 Interest and dividends.

59 Union dues.

60 Orthodontia for Robert, Jr.

67 Stock.

Signatures of student and spouse: W.A. Wilson, Wanda M. Wilson — DATE 1/21/73

Signatures of both parents (for guardian): Robert Wilson, Jenny Wilson — DATE 1/20/73

Be certain to enclose check or money order payable to CSS: $3.75 for the first postsecondary institution or scholarship program listed and $2.75 for each additional listing.

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

STUDENT'S FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-75
CONFIDENTIAL

STUDENT'S INFORMATION

Name of Student: Last	First	M.I.	Sex	Date of Birth	Age	Social Security Number	Year in College	Marital Status	Dependency Status	Residence	Unusual Circumstances	Number in College	Date Printed	CSS Identification Number	College Code
WILSON	WILLARD	A	M	09 23 51	22	232 11 8721	4	3	1	0	4	12	12/01	S173302	3970

COMPUTATION OF STUDENT'S CONTRIBUTION FROM INCOME AND BENEFITS

Taxable Income	Federal, State, and Social Security Taxes	Working Spouse	Other Dependents	Total Allowances	Taxable Income After Allowances	Social Security and Veterans Benefits	Other Non-taxable Income and Benefits		Summary of Resources: Contribution from Income and Benefits	Institutional Adjustment
6310	950	1500	0	2450	3860	0	50	=	3910	$

COMPUTATION OF STUDENT'S CONTRIBUTION FROM ASSETS

Residence & Other Real Estate Equity	Business or Farm Equity	Cash and Bank Accounts	Other Investments	Total Assets	Debt Outstanding	Net Worth	Asset Allowance	Conversion %		Contribution from Assets	
0	0	600	600	1200	200	1000	300	30	=	210	$

COMPUTATION OF PARENTS' EFFECTIVE INCOME

Net Income	Federal Income Tax	State Income Tax	Working Spouse	Medical Expenses	Emergency Expenses	Indebtedness	Other Dependents	Total Allowances	Effective Income
12550	1100	250	0	570	0	0	600	2520	10030

INELIGIBLE FOR BEOG BASED ON SCH YR

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

Residence & Other Real Estate Equity	Business or Farm Equity	Cash and Bank Accounts	Other Investments	Total Assets	Debt Outstanding	Net Worth	Retirement Allowance	Conv. %	Income Supplement
16000	0	200	950	17150	300	16850	8300	11	940

PARENTS' INFORMATION

Number of Parents	Number of Children	Number of Other Dependents	*** Unusual Conditions			
2	3	1	F			

COMPUTATION OF PARENTS' CONTRIBUTION

Adjusted Effective Income	For Student's Maintenance	From Discretionary Income	Number of Children in College	Parents' Contribution for Student		Contribution from Parents	
10970	980	0	1	980	=	980	$

STUDENT'S EXPENSES AND ESTIMATES OF NEED

	Student Reported	SFS National Average	Institutional (1)	Institutional (2)	Institutional Adjustments
Student's Tuition, Fees, Books, and Supplies	$ 3160	$ 3100			$
Spouse's Tuition, Fees, Books, and Supplies	$ 0	$ 0			$
Rent, Mortgage, or Room, incl. Utilities	$ 1500	$ 1550			$
Food or Board and Household Supplies	$ 870	$ 1230			$
Clothing, Laundry, and Cleaning	$ 300	$ 370			$
Transportation	$ 520	$ 480			$
Medical and Dental	$ 200	$ 310			$
Other Expenses	$ 850	$ 990			$
TOTAL EXPENSES	7400	8030	6980		
TOTAL RESOURCES	6360	5100	5100	5100	
ESTIMATED FINANCIAL NEED	1040	2930	1880		

Student's Total Resources: 5100 $

* MARITAL STATUS
1 Single
2 Separated, divorced or widowed
3 Married
4 Single or separated, divorced or widowed, but data for spouse shown

** DEPENDENCY STATUS
1 Self-supporting; parents' information reported
2 Self-supporting; parents' information not reported
3 Self-supporting; parents' support in non-70
4 Dependent; parents' information reported
5 Dependent; parents' information not reported
6 DS unable to determine

*** UNUSUAL CONDITIONS
A No federal tax assessed for 1973 (standard tax used)
B Federal tax reported for 1973 is less than 85% of standard tax (reported tax used)
C Federal tax for 1973 exceeds standard tax by 10% or more (standard tax used)
E Business expenses reduce parents' contribution by $100 or more (suggest review)
F Medical expenses reduce parents' contribution by $100 or more (suggest review)
G Farm loss expenses reduce parents' ability to contribute by $100 or more (suggest review)

GUARANTEED STUDENT LOAN DATA

** Status 1	Resident or 1	Commuter or 2
Cost of Education	6980	
Financial Aid and Other Resources		
Support from Family	4120	4120
Recommended Loan Amount		

☐ To be completed by institution

Copyright © 1973 by College Entrance Examination Board. All rights reserved.

70 13 002

BEST COPY AVAILABLE

Tables

Table A. Federal income tax payments, based on standard deductions, by level of income and size of family, for two-parent families (1973 rates)

Income (before federal tax)	Number of dependent children									
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
$ 875– $ 1,124										
1,125– 1,374										
1,375– 1,624										
1,625– 1,874										
1,875– 2,124										
2,125– 2,374										
2,375– 2,624										
2,625– 2,874	$ 12									
2,875– 3,124	42									
3,125– 3,374	71									
3,375– 3,624	101									
3,625– 3,874	131	$ 26								
3,875– 4,124	162	56								
4,125– 4,374	194	85								
4,375– 4,624	226	115	$ 10							
4,625– 4,874	258	145	40							
4,875– 5,124	290	177	70							
5,125– 5,374	324	209	99							
5,375– 5,624	358	241	129	$ 24						
5,625– 5,874	392	273	160	54						
5,875– 6,124	426	306	192	84						
6,125– 6,374	460	340	224	113	$ 8					
6,375– 6,624	496	374	256	143	38					
6,625– 6,874	532	408	288	175	68					
6,875– 7,124	569	442	322	207	98					
7,125– 7,374	605	477	356	239	127	$ 22				
7,375– 7,624	643	513	390	271	158	52				
7,625– 7,874	684	549	424	304	190	82				
7,875– 8,124	724	586	458	338	222	112	$ 7			
8,125– 8,374	764	622	494	372	254	141	36			
8,375– 8,624	805	662	530	406	286	173	66			
8,625– 8,874	845	703	566	440	320	205	96			
8,875– 9,124	886	743	603	475	354	237	126	$ 21		
9,125– 9,374	926	783	641	511	388	269	156	50		
9,375– 9,624	966	824	681	547	422	302	188	80		
9,625– 9,874	1,007	864	722	583	456	336	220	110	$ 5	
9,875– 10,124	1,047	905	762	620	492	370	252	140	35	
10,125– 10,374	1,087	945	802	660	528	404	284	171	64	
10,375– 10,624	1,128	985	843	700	564	438	318	203	94	
10,625– 10,874	1,168	1,026	883	741	600	473	352	235	124	$ 19
10,875– 11,124	1,209	1,066	924	781	639	509	386	267	155	49
11,125– 11,374	1,249	1,106	964	821	679	545	420	300	186	78
11,375– 11,624	1,289	1,147	1,004	862	719	581	454	334	218	108
11,625– 11,874	1,330	1,187	1,045	902	760	617	490	368	250	138
11,875– 12,124	1,370	1,228	1,085	943	800	658	526	402	282	170
12,125– 12,374	1,415	1,268	1,125	983	840	698	562	436	316	201
12,375– 12,624	1,462	1,308	1,166	1,023	881	738	598	471	350	233
12,625– 12,874	1,509	1,349	1,206	1,064	921	779	636	507	384	265

BEST COPY AVAILABLE

Table A. Federal income tax payments, based on standard deductions, by level of income and size of family, for two-parent families (1973 rates) (continued)

Income (before federal tax)	Number of dependent children 1	2	3	4	5	6	7	8	9	10
$12,875–$13,124	$1,556	$1,391	$1,247	$1,104	$ 962	$ 819	$ 677	$ 543	$ 418	$ 298
13,125– 13,374	1,602	1,437	1,287	1,144	1,002	859	717	579	452	332
13,375– 13,624	1,655	1,490	1,332	1,190	1,047	905	762	620	492	370
13,625– 13,874	1,710	1,545	1,380	1,237	1,095	952	810	667	535	410
13,875– 14,124	1,765	1,600	1,435	1,285	1,142	1,000	857	715	577	450
14,125– 14,374	1,820	1,655	1,490	1,332	1,190	1,047	905	762	620	492
14,375– 14,624	1,875	1,710	1,545	1,380	1,237	1,095	952	810	667	535
14,625– 14,874	1,930	1,765	1,600	1,435	1,285	1,142	1,000	857	715	577
14,875– 15,124	1,985	1,820	1,655	1,490	1,332	1,190	1,047	905	762	620
15,125– 15,374	2,040	1,875	1,710	1,545	1,380	1,237	1,095	952	810	667
15,375– 15,624	2,095	1,930	1,765	1,600	1,435	1,285	1,142	1,000	857	715
15,625– 15,874	2,150	1,985	1,820	1,655	1,490	1,332	1,190	1,047	905	762
15,875– 16,124	2,205	2,040	1,875	1,710	1,545	1,380	1,237	1,095	952	810
16,125– 16,374	2,260	2,095	1,930	1,765	1,600	1,435	1,285	1,142	1,000	857
16,375– 16,624	2,322	2,150	1,985	1,820	1,655	1,490	1,332	1,190	1,047	905
16,625– 16,874	2,385	2,205	2,040	1,875	1,710	1,545	1,380	1,237	1,095	952
16,875– 17,124	2,447	2,260	2,095	1,930	1,765	1,600	1,435	1,285	1,142	1,000
17,125– 17,374	2,510	2,322	2,150	1,985	1,820	1,655	1,490	1,332	1,190	1,047
17,375– 17,624	2,572	2,385	2,205	2,040	1,875	1,710	1,545	1,380	1,237	1,095
17,625– 17,874	2,635	2,447	2,260	2,095	1,930	1,765	1,600	1,435	1,285	1,142
17,875– 18,124	2,697	2,510	2,322	2,150	1,985	1,820	1,655	1,490	1,332	1,190
18,125– 18,374	2,760	2,572	2,385	2,205	2,040	1,875	1,710	1,545	1,380	1,237
18,375– 18,624	2,822	2,635	2,447	2,260	2,095	1,930	1,765	1,600	1,435	1,285
18,625– 18,874	2,885	2,697	2,510	2,322	2,150	1,985	1,820	1,655	1,490	1,332
18,875– 19,124	2,947	2,760	2,572	2,385	2,205	2,040	1,875	1,710	1,545	1,380
19,125– 19,374	3,010	2,822	2,635	2,447	2,260	2,095	1,930	1,765	1,600	1,435
19,375– 19,624	3,072	2,885	2,697	2,510	2,322	2,150	1,985	1,820	1,655	1,490
19,625– 19,874	3,135	2,947	2,760	2,572	2,385	2,205	2,040	1,875	1,710	1,545
19,875– 20,124	3,197	3,010	2,822	2,635	2,447	2,260	2,095	1,930	1,765	1,600
20,125– 20,374	3,260	3,072	2,885	2,697	2,510	2,322	2,150	1,985	1,820	1,655
20,375– 20,624	3,330	3,135	2,947	2,760	2,572	2,385	2,205	2,040	1,875	1,710
20,625– 20,874	3,400	3,197	3,010	2,822	2,635	2,447	2,260	2,095	1,930	1,765
20,875– 21,124	3,470	3,260	3,072	2,885	2,697	2,510	2,322	2,150	1,985	1,820
21,125– 21,374	3,540	3,330	3,135	2,947	2,760	2,572	2,385	2,205	2,040	1,875
21,375– 21,624	3,610	3,400	3,197	3,010	2,822	2,635	2,447	2,260	2,095	1,930
21,625– 21,874	3,680	3,470	3,260	3,072	2,885	2,697	2,510	2,322	2,150	1,985
21,875– 22,124	3,750	3,540	3,330	3,135	2,947	2,760	2,572	2,385	2,205	2,040
22,125– 22,374	3,820	3,610	3,400	3,197	3,010	2,822	2,635	2,447	2,260	2,095
22,375– 22,624	3,890	3,680	3,470	3,260	3,072	2,885	2,697	2,510	2,322	2,150
22,625– 22,874	3,960	3,750	3,540	3,330	3,135	2,947	2,760	2,572	2,385	2,205
22,875– 23,124	4,030	3,820	3,610	3,400	3,197	3,010	2,822	2,635	2,447	2,260
23,125– 23,374	4,100	3,890	3,680	3,470	3,260	3,072	2,885	2,697	2,510	2,322
23,375– 23,624	4,170	3,960	3,750	3,540	3,330	3,135	2,947	2,760	2,572	2,385
23,625– 23,874	4,240	4,030	3,820	3,610	3,400	3,197	3,010	2,822	2,635	2,447
23,875– 24,124	4,310	4,100	3,890	3,680	3,470	3,260	3,072	2,885	2,697	2,510
24,125– 24,374	4,380	4,170	3,960	3,750	3,540	3,330	3,135	2,947	2,760	2,572
24,375– 24,624	4,460	4,240	4,030	3,820	3,610	3,400	3,197	3,010	2,822	2,635
24,625– 24,874	4,540	4,310	4,100	3,890	3,680	3,470	3,260	3,072	2,885	2,697

BEST COPY AVAILABLE

Table A. Federal income tax payments, based on standard deductions, by level of income and size of family, for two-parent families (1973 rates) (continued)

Income (before federal tax)	Number of dependent children									
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
$24,875–$25,124	$4,620	$4,380	$4,170	$3,960	$3,750	$3,540	$3,330	$3,135	$2,947	$2,760
25,125– 25,374	4,700	4,460	4,240	4,030	3,820	3,610	3,400	3,197	3,010	2,822
25,375– 25,624	4,780	4,540	4,310	4,100	3,890	3,680	3,470	3,260	3,072	2,885
25,625– 25,874	4,860	4,620	4,380	4,170	3,960	3,750	3,540	3,330	3,135	2,947
25,875– 26,124	4,940	4,700	4,460	4,240	4,030	3,820	3,610	3,400	3,197	3,010
26,125– 26,374	5,020	4,780	4,540	4,310	4,100	3,890	3,680	3,470	3,260	3,072
26,375– 26,624	5,100	4,860	4,620	4,380	4,170	3,960	3,750	3,540	3,330	3,135
26,625– 26,874	5,180	4,940	4,700	4,460	4,240	4,030	3,820	3,610	3,400	3,197
26,875– 27,124	5,260	5,020	4,780	4,540	4,310	4,100	3,890	3,680	3,470	3,260
27,125– 27,374	5,340	5,100	4,860	4,620	4,380	4,170	3,960	3,750	3,540	3,330
27,375– 27,624	5,420	5,180	4,940	4,700	4,460	4,240	4,030	3,820	3,610	3,400
27,625– 27,874	5,500	5,260	5,020	4,780	4,540	4,310	4,100	3,890	3,680	3,470
27,875– 28,124	5,580	5,340	5,100	4,860	4,620	4,380	4,170	3,960	3,750	3,540
28,125– 28,374	5,660	5,420	5,180	4,940	4,700	4,460	4,240	4,030	3,820	3,610
28,375– 28,624	5,750	5,500	5,260	5,020	4,780	4,540	4,310	4,100	3,890	3,680
28,625– 28,874	5,840	5,580	5,340	5,100	4,860	4,620	4,380	4,170	3,960	3,750
28,875– 29,124	5,930	5,660	5,420	5,180	4,940	4,700	4,460	4,240	4,030	3,820
29,125– 29,374	6,020	5,750	5,500	5,260	5,020	4,780	4,540	4,310	4,100	3,890
29,375– 29,624	6,110	5,840	5,580	5,340	5,100	4,860	4,620	4,380	4,170	3,960
29,625– 29,874	6,200	5,930	5,660	5,420	5,180	4,940	4,700	4,460	4,240	4,030
29,875– 30,124	6,290	6,020	5,750	5,500	5,260	5,020	4,780	4,540	4,310	4,100

BEST COPY AVAILABLE

Table A. Federal income tax payments, based on standard deductions, by level of income and size of family, for one-parent families (1973 rates)

Income (before federal tax)	Number of dependent children: 1	2	3	4	5	6	7	8	9	10
$ 875-$ 1,124										
1,125- 1,374										
1,375- 1,624										
1,625- 1,874										
1,875- 2,124	$ 28									
2,125- 2,374	57									
2,375- 2,624	87									
2,625- 2,874	117	$ 12								
2,875- 3,124	148	42								
3,125- 3,374	182	71								
3,375- 3,624	216	101								
3,625- 3,874	250	131	$ 26							
3,875- 4,124	284	164	56							
4,125- 4,374	320	198	85							
4,375- 4,624	358	232	115	$ 10						
4,625- 4,874	396	266	146	40						
4,875- 5,124	435	300	180	70						
5,125- 5,374	473	338	214	99						
5,375- 5,624	511	376	248	129	$ 24					
5,625- 5,874	549	414	282	162	54					
5,875- 6,124	588	453	318	196	84					
6,125- 6,374	626	491	356	230	113	$ 8				
6,375- 6,624	664	529	394	264	144	38				
6,625- 6,874	705	567	432	298	178	68				
6,875- 7,124	745	606	471	336	212	98				
7,125- 7,374	785	644	509	374	246	127	$ 22			
7,375- 7,624	826	683	547	412	280	160	52			
7,625- 7,874	866	724	585	450	315	194	82			
7,875- 8,124	907	764	624	489	354	228	112	$ 7		
8,125- 8,374	947	804	662	527	392	262	142	36		
8,375- 8,624	987	845	702	565	430	296	176	66		
8,625- 8,874	1,028	885	743	603	468	333	210	96		
8,875- 9,124	1,073	926	783	642	507	372	244	126	$ 21	
9,125- 9,374	1,119	966	823	681	545	410	278	158	50	
9,375- 9,624	1,166	1,006	864	721	583	448	313	192	80	
9,625- 9,874	1,213	1,048	904	762	621	486	351	226	110	$ 5
9,875- 10,124	1,260	1,095	945	802	660	525	390	260	140	35
10,125- 10,374	1,306	1,141	985	842	700	563	428	294	174	64
10,375- 10,624	1,353	1,188	1,025	883	740	601	466	331	208	94
10,625- 10,874	1,400	1,235	1,070	923	781	639	504	369	242	124
10,875- 11,124	1,447	1,282	1,117	964	821	679	543	408	276	156
11,125- 11,374	1,494	1,328	1,163	1,004	861	719	581	446	311	190
11,375- 11,624	1,543	1,375	1,210	1,045	902	759	619	484	349	224
11,625- 11,874	1,592	1,422	1,257	1,092	942	800	657	522	387	258
11,875- 12,124	1,641	1,469	1,304	1,139	983	840	698	561	426	292
12,125- 12,374	1,689	1,517	1,350	1,185	1,023	880	738	599	464	329
12,375- 12,624	1,738	1,566	1,397	1,232	1,067	921	778	637	502	367
12,625- 12,874	1,787	1,615	1,444	1,279	1,114	961	819	676	540	405

BEST COPY AVAILABLE

Table A. Federal income tax payments, based on standard deductions, by level of income and size of family, for one-parent families (1973 rates) (continued)

Income (before federal tax)	Number of dependent children									
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
$12,875–$13,124	$1,836	$1,664	$1,491	$1,326	$1,161	$1,002	$ 859	$ 717	$ 579	$ 444
13,125– 13,374	1,885	1,712	1,540	1,372	1,207	1,042	899	757	617	482
13,375– 13,624	1,940	1,767	1,595	1,425	1,260	1,095	945	802	660	525
13,625– 13,874	2,002	1,825	1,652	1,480	1,315	1,150	992	850	707	570
13,875– 14,124	2,065	1,882	1,710	1,537	1,370	1,205	1,040	897	755	615
14,125– 14,374	2,127	1,940	1,767	1,595	1,425	1,260	1,095	945	802	660
14,375– 14,624	2,190	2,002	1,825	1,652	1,480	1,315	1,150	992	850	707
14,625– 14,874	2,252	2,065	1,882	1,710	1,537	1,370	1,205	1,040	897	755
14,875– 15,124	2,315	2,127	1,940	1,767	1,595	1,425	1,260	1,095	945	802
15,125– 15,374	2,377	2,190	2,002	1,825	1,652	1,480	1,315	1,150	992	850
15,375– 15,624	2,440	2,252	2,065	1,882	1,710	1,537	1,370	1,205	1,040	897
15,625– 15,874	2,507	2,315	2,127	1,940	1,767	1,595	1,425	1,260	1,095	945
15,875– 16,124	2,575	2,377	2,190	2,002	1,825	1,652	1,480	1,315	1,150	992
16,125– 16,374	2,642	2,440	2,252	2,065	1,882	1,710	1,537	1,370	1,205	1,040
16,375– 16,624	2,710	2,507	2,315	2,127	1,940	1,767	1,595	1,425	1,260	1,095
16,625– 16,874	2,777	2,575	2,377	2,190	2,002	1,825	1,652	1,480	1,315	1,150
16,875– 17,124	2,845	2,642	2,440	2,252	2,065	1,882	1,710	1,537	1,370	1,205
17,125– 17,374	2,912	2,710	2,507	2,315	2,127	1,940	1,767	1,595	1,425	1,260
17,375– 17,624	2,980	2,777	2,575	2,377	2,190	2,002	1,825	1,652	1,480	1,315
17,625– 17,874	3,050	2,845	2,642	2,440	2,252	2,065	1,882	1,710	1,537	1,370
17,875– 18,124	3,120	2,912	2,710	2,507	2,315	2,127	1,940	1,767	1,595	1,425
18,125– 18,374	3,190	2,980	2,777	2,575	2,377	2,190	2,002	1,825	1,652	1,480
18,375– 18,624	3,260	3,050	2,845	2,642	2,440	2,252	2,065	1,882	1,710	1,537
18,625– 18,874	3,330	3,120	2,912	2,710	2,507	2,315	2,127	1,940	1,767	1,595
18,875– 19,124	3,400	3,190	2,980	2,777	2,575	2,377	2,190	2,002	1,825	1,652
19,125– 19,374	3,470	3,260	3,050	2,845	2,642	2,440	2,252	2,065	1,882	1,710
19,375– 19,624	3,540	3,330	3,120	2,912	2,710	2,507	2,315	2,127	1,940	1,767
19,625– 19,874	3,617	3,400	3,190	2,980	2,777	2,575	2,377	2,190	2,002	1,825
19,875– 20,124	3,695	3,470	3,260	3,050	2,845	2,642	2,440	2,252	2,065	1,882
20,125– 20,374	3,772	3,540	3,330	3,120	2,912	2,710	2,507	2,315	2,127	1,940
20,375– 20,624	3,850	3,617	3,400	3,190	2,980	2,777	2,575	2,377	2,190	2,002
20,625– 20,874	3,927	3,695	3,470	3,260	3,050	2,845	2,642	2,440	2,252	2,065
20,875– 21,124	4,005	3,772	3,540	3,330	3,120	2,912	2,710	2,507	2,315	2,127
21,125– 21,374	4,082	3,850	3,617	3,400	3,190	2,980	2,777	2,575	2,377	2,190
21,375– 21,624	4,160	3,927	3,695	3,470	3,260	3,050	2,845	2,642	2,440	2,252
21,625– 21,874	4,240	4,005	3,772	3,540	3,330	3,120	2,912	2,710	2,507	2,315
21,875– 22,124	4,320	4,082	3,850	3,617	3,400	3,190	2,980	2,777	2,575	2,377
22,125– 22,374	4,400	4,160	3,927	3,695	3,470	3,260	3,050	2,845	2,642	2,440
22,375– 22,624	4,480	4,240	4,005	3,772	3,540	3,330	3,120	2,912	2,710	2,507
22,625– 22,874	4,560	4,320	4,082	3,850	3,617	3,400	3,190	2,980	2,777	2,575
22,875– 23,124	4,640	4,400	4,160	3,927	3,695	3,470	3,260	3,050	2,845	2,642
23,125– 23,374	4,720	4,480	4,240	4,005	3,772	3,540	3,330	3,120	2,912	2,710
23,375– 23,624	4,800	4,560	4,320	4,082	3,850	3,617	3,400	3,190	2,980	2,777
23,625– 23,874	4,887	4,640	4,400	4,160	3,927	3,695	3,470	3,260	3,050	2,845
23,875– 24,124	4,975	4,720	4,480	4,240	4,005	3,772	3,540	3,330	3,120	2,912
24,125– 24,374	5,062	4,800	4,560	4,320	4,082	3,850	3,617	3,400	3,190	2,980
24,375– 24,624	5,150	4,887	4,640	4,400	4,160	3,927	3,695	3,470	3,260	3,050
24,625– 24,874	5,237	4,975	4,720	4,480	4,240	4,005	3,772	3,540	3,330	3,120

BEST COPY AVAILABLE

Table A. Federal income tax payments, based on standard deductions, by level of income and size of family, for one-parent families (1973 rates) (continued)

Income (before federal tax)	Number of dependent children									
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
$24,875–$25,124	$5,325	$5,062	$4,800	$4,560	$4,320	$4,082	$3,850	$3,617	$3,400	$3,190
25,125– 25,374	5,412	5,150	4,887	4,640	4,400	4,160	3,927	3,695	3,470	3,260
25,375– 25,624	5,500	5,237	4,975	4,720	4,480	4,240	4,005	3,772	3,540	3,330
25,625– 25,874	5,590	5,325	5,062	4,800	4,560	4,320	4,082	3,850	3,617	3,400
25,875– 26,124	5,680	5,412	5,150	4,887	4,640	4,400	4,160	3,927	3,695	3,470
26,125– 26,374	5,770	5,500	5,2[illegible]	4,975	4,720	4,480	4,240	4,005	3,772	3,540
26,375– 26,624	5,860	5,590	5,3[illegible]	5,062	4,800	4,560	4,320	4,082	3,850	3,617
26,625– 26,874	5,950	5,680	5,412	5,150	4,887	4,640	4,400	4,160	3,927	3,695
26,875– 27,124	6,040	5,770	5,500	5,237	4,975	4,720	4,480	4,240	4,005	3,772
27,125– 27,374	6,130	5,860	5,590	5,325	5,062	4,800	4,560	4,320	4,082	3,850
27,375– 27,624	6,220	5,950	5,680	5,412	5,150	4,887	4,640	4,400	4,160	3,927
27,625– 27,874	6,315	6,040	5,770	5,500	5,237	4,975	4,720	4,480	4,240	4,005
27,875– 28,124	6,410	6,130	5,860	5,590	5,325	5,062	4,800	4,560	4,320	4,082
28,125– 28,374	6,50[illegible]	6,220	5,950	5,680	5,412	5,150	4,887	4,640	4,400	4,160
28,375– 28,624	6,60[illegible]	6,315	6,040	5,770	5,500	5,237	4,975	4,720	4,480	4,240
28,625– 28,874	6,695	6,410	6,130	5,860	5,590	5,325	5,062	4,800	4,560	4,320
28,875– 29,124	6,790	6,505	6,220	5,950	5,680	5,412	5,150	4,887	4,640	4,400
29,125– 29,374	6,885	6,600	6,315	6,040	5,770	5,500	5,237	4,975	4,720	4,480
29,375– 29,624	6,980	6,695	6,410	6,130	5,860	5,590	5,325	5,062	4,800	4,560
29,625– 29,874	7,082	6,790	6,505	6,220	5,950	5,680	5,412	5,150	4,887	4,640
29,875– 30,124	7,185	6,885	6,600	6,315	6,040	5,770	5,500	5,237	4,975	4,720

BEST COPY AVAILABLE

Table B. 1973 tax rates of the Internal Revenue Service by level of taxable income

Schedule for married taxpayers filing joint returns (two-parent families in CSO procedures)

Taxable income	*Federal income tax*	
Not over $1,000	14% of taxable income	
$ 1,000 to $ 2,000	$ 140 plus 15% of excess over	$ 1,000
2,000 to 3,000	290 plus 16% of excess over	2,000
3,000 to 4,000	450 plus 17% of excess over	3,000
4,000 to 8,000	620 plus 19% of excess over	4,000
8,000 to 12,000	1,380 plus 22% of excess over	8,000
12,000 to 16,000	2,260 plus 25% of excess over	12,000
16,000 to 20,000	3,260 plus 28% of excess over	16,000
20,000 to 24,000	4,380 plus 32% of excess over	20,000
24,000 to 28,000	5,660 plus 36% of excess over	24,000
28,000 to 32,000	7,100 plus 39% of excess over	28,000
32,000 to 36,000	8,660 plus 42% of excess over	32,000
36,000 to 40,000	10,340 plus 45% of excess over	36,000

Schedule for heads of households (one-parent families in CSO procedures)

Taxable income	*Federal income tax*	
Not over $1,000	14% of taxable income	
$ 1,000 to $ 2,000	$ 140 plus 16% of excess over	$ 1,000
2,000 to 4,000	300 plus 18% of excess over	2,000
4,000 to 6,000	560 plus 19% of excess over	4,000
6,000 to 8,000	1,040 plus 22% of excess over	6,000
8,000 to 10,000	1,480 plus 23% of excess over	8,000
10,000 to 12,000	1,940 plus 25% of excess over	10,000
12,000 to 14,000	2,440 plus 27% of excess over	12,000
14,000 to 16,000	2,980 plus 28% of excess over	14,000
16,000 to 18,000	3,540 plus 31% of excess over	16,000
18,000 to 20,000	4,160 plus 32% of excess over	18,000
20,000 to 22,000	4,800 plus 35% of excess over	20,000
22,000 to 24,000	5,500 plus 36% of excess over	22,000
24,000 to 26,000	6,220 plus 38% of excess over	24,000
26,000 to 28,000	6,980 plus 41% of excess over	26,000
28,000 to 32,000	7,800 plus 42% of excess over	28,000
32,000 to 36,000	9,480 plus 45% of excess over	32,000
36,000 to 38,000	11,280 plus 48% of excess over	36,000
38,000 to 40,000	12,240 plus 51% of excess over	38,000

BEST COPY AVAILABLE

Table C. Average state income taxes (rates as of July 1973)*

Income (before federal tax)	Alabama	Alaska	Arizona	Arkansas	California	Colorado	Delaware	D.C.	Georgia	Hawaii	Idaho
$ 750–$ 1,249		16% of federal income tax at all income levels									
1,250– 1,749											
1,750– 2,249											
2,250– 2,749											
2,750– 3,249											
3,250– 3,749							$ 6				
3,750– 4,249						$ 2	12	$ 6		$ 1	$ 1
4,250– 4,749											
4,750– 5,249	$ 5		$ 9	$ 8		15	20	15		11	10
5,250– 5,749	11		17	18		27	28	25		25	18
5,750– 6,249	21		29	29		42	38	38		42	34
6,250– 6,749	33		41	40		57	50	51	$ 4	62	51
6,750– 7,249	46		56	50	$ 5	73	63	68	8	87	69
7,250– 7,749	59		73	65	13	90	80	85	15	114	88
7,750– 8,249	72		90	80	22	107	97	105	24	142	107
8,250– 8,749	89		111	94	32	126	116	126	32	174	131
8,750– 9,249	108		132	109	45	145	137	147	41	206	154
9,250– 9,749	127		156	124	58	166	159	168	49	238	181
9,750– 10,249	147		182	139	71	187	185	190	62	270	208
10,250– 10,749	166		208	154	83	209	210	215	74	303	238
10,750– 11,249	187		238	172	96	233	239	241	87	340	270
11,250– 11,749	208		268	191	109	256	269	266	100	376	301
11,750– 12,249	230		302	211	124	282	299	292	114	412	333
12,250– 12,749	251		336	230	141	307	328	317	131	448	365
12,750– 13,249	272		370	249	158	334	359	343	148	484	397
13,250– 13,749	295		406	269	176	363	395	370	166	522	431
13,750– 14,249	320		446	292	196	397	435	405	186	565	468
14,250– 14,749	345		486	314	216	432	475	440	210	607	506
14,750– 15,249	370		526	337	236	468	515	475	235	650	543
15,250– 15,749	395		566	359	261	506	555	510	260	692	581
15,750– 16,249	420		606	382	286	545	595	545	285	737	618
16,250– 16,749	445		646	404	311	585	635	580	310	785	656
16,750– 17,249	470		686	427	336	625	675	615	335	832	693
17,250– 17,749	495		726	457	361	665	715	650	364	880	731
17,750– 18,249	520		766	487	386	705	755	690	394	927	768
18,250– 18,749	545		806	517	416	745	795	730	424	975	806
18,750– 19,249	570		846	547	446	785	835	770	454	1,022	843
19,250– 19,749	595		886	577	476	825	875	810	484	1,070	881
19,750– 20,249	620		926	607	506	865	915	850	514	1,119	918
20,250– 20,749	645		966	637	536	905	955	890	544	1,169	956
20,750– 21,249	670		1,006	667	566	945	995	930	574	1,219	993
21,250– 21,749	695		1,046	697	601	985	1,035	970	604	1,269	1,031
21,750– 22,249	720		1,086	727	636	1,025	1,075	1,010	634	1,319	1,068
22,250– 22,749	745		1,126	757	671	1,065	1,115	1,050	664	1,369	1,106

* States that have no income tax are Connecticut, Florida, Nevada, New Hampshire, New Jersey, South Dakota, Tennessee, Texas, Washington, and Wyoming. The tax figures in this table are based on a two-parent family that has three children and that files a joint tax return.

BEST COPY AVAILABLE

Table C. Average state income taxes (rates as of July 1973) (continued)

Illinois	Indiana	Iowa	Kansas	Kentucky	Louisiana	Maine	Maryland	Massachusetts	Michigan	Minnesota	Income (before federal tax)
											$ 750–$ 1,249
											1,250– 1,749
											1,750– 2,249
											2,250– 2,749
											2,750– 3,249
										$ 5	3,250– 3,749
	$ 8	$ 9	$ 8							36	3,750– 4,249
	16	26	16							67	4,250– 4,749
	25	45	25				$ 5			102	4,750– 5,249
	33	66	33	$ 17			13	$ 13		139	5,250– 5,749
$ 2	42	88	43	35		$ 1	23	35		178	5,750– 6,249
13	50	109	58	56		5	35	56		221	6,250– 6,749
23	59	130	73	77		9	48	77		264	6,750– 7,249
34	67	151	90	98	$ 3	13	65	98	$ 14	308	7,250– 7,749
45	76	173	107	120	12	18	82	120	31	351	7,750– 8,249
55	84	196	124	141	20	24	101	141	47	397	8,250– 8,749
66	93	222	141	162	29	33	122	162	64	446	8,750– 9,249
76	101	247	158	184	37	41	143	183	80	495	9,250– 9,749
87	110	273	180	210	46	50	165	205	97	544	9,750– 10,249
98	118	298	201	235	54	58	186	226	114	593	10,250– 10,749
108	127	327	222	261	63	67	207	247	130	646	10,750– 11,249
119	135	357	243	286	71	75	228	268	147	701	11,250– 11,749
130	144	387	268	312	80	86	250	290	163	755	11,750– 12,249
140	152	416	295	337	88	98	271	311	180	810	12,250– 12,749
151	161	446	323	363	97	111	292	332	196	864	12,750– 13,249
162	170	478	352	390	106	125	315	355	214	922	13,250– 13,749
175	180	513	385	420	116	140	340	380	234	986	13,750– 14,249
187	190	548	417	450	126	155	365	405	253	1,050	14,250– 14,749
200	200	583	450	480	136	170	390	430	273	1,120	14,750– 15,249
212	210	618	482	510	146	185	415	455	292	1,190	15,250– 15,749
225	220	653	515	540	156	200	440	480	312	1,260	15,750– 16,249
237	230	688	547	570	166	215	465	505	331	1,330	16,250– 16,749
250	240	723	580	600	176	230	490	530	351	1,400	16,750– 17,249
262	250	758	612	630	186	250	515	555	370	1,470	17,250– 17,749
275	260	793	645	660	196	270	540	580	390	1,540	17,750– 18,249
287	270	828	677	690	212	290	565	605	409	1,610	18,250– 18,749
300	280	863	710	720	232	310	590	630	429	1,680	18,750– 19,249
312	290	898	742	750	252	330	615	655	448	1,750	19,250– 19,749
325	300	933	775	780	272	350	640	680	468	1,820	19,750– 20,249
337	310	968	807	810	292	370	665	705	487	1,890	20,250– 20,749
350	320	1,003	840	840	312	390	690	730	507	1,960	20,750– 21,249
362	330	1,038	872	870	332	410	715	755	526	2,030	21,250– 21,749
375	340	1,073	905	900	352	430	740	780	546	2,100	21,750– 22,249
387	350	1,108	937	930	372	450	765	805	565	2,175	22,250– 22,749

BEST COPY AVAILABLE

Table C. Average state income taxes (rates as of July 1973) (continued)

Income (before federal tax)	*Alabama*	*Alaska*	*Arizona*	*Arkansas*	*California*	*Colorado*	*Delaware*	*D.C.*	*Georgia*	*Hawaii*	*Idaho*
$22,750–$23,249	$770		$1,166	$787	$706	$1,105	$1,155	$1,095	$694	$1,419	$1,143
23,250– 23,749	795		1,206	817	741	1,145	1,195	1,140	724	1,469	1,181
23,750– 24,249	820		1,246	847	776	1,185	1,235	1,185	754	1,519	1,218
24,250– 24,749	845		1,286	877	816	1,225	1,275	1,230	784	1,569	1,256
24,750– 25,249	870		1,326	907	856	1,265	1,315	1,275	814	1,619	1,293

BEST COPY AVAILABLE

Table C. Average state income taxes (rates as of July 1973) (continued)

Illinois	*Indiana*	*Iowa*	*Kansas*	*Kentucky*	*Louisiana*	*Maine*	*Maryland*	*Massachusetts*	*Michigan*	*Minnesota*	**Income (before federal tax)**
$400	$360	$1,143	$ 970	$ 960	$392	$470	$790	$830	$585	$2,250	$22,750–$23,249
412	370	1,178	1,002	990	412	490	815	855	604	2,325	23,250– 23,749
425	380	1,213	1,035	1,020	432	510	840	880	624	2,400	23,750– 24,249
437	390	1,248	1,067	1,050	452	530	865	905	643	2,475	24,250– 24,749
450	400	1,283	1,100	1,080	472	550	890	930	663	2,550	24,750– 25,249

BEST COPY AVAILABLE

Table C. Average state income taxes (rates as of July 1973) (continued)

Income (before federal tax)	Mississippi	Missouri	Montana	Nebraska	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon
$ 750–$ 1,249				15% of federal income tax at all income levels							
1,250– 1,749											
1,750– 2,249											
2,250– 2,749											
2,750– 3,249											
3,250– 3,749									$ 2		
3,750– 4,249			$ 8						4		$ 3
4,250– 4,749		$ 3	16						6		20
4,750– 5,249		9	27		$ 5		$ 13	$ 5	8	$ 2	37
5,250– 5,749		16	40		11	$ 7	26	9	10	4	58
5,750– 6,249		25	54		17	20	39	13	13	6	79
6,250– 6,749		33	71		25	33	51	17	15	8	102
6,750– 7,249		43	88		35	46	66	22	17	12	128
7,250– 7,749	$ 11	54	105		45	60	83	26	19	16	153
7,750– 8,249	24	66	122		56	77	100	31	21	20	179
8,250– 8,749	36	78	141		69	94	117	39	23	24	204
8,750– 9,249	49	91	162		82	111	134	48	26	29	233
9,250– 9,749	62	106	183		96	128	153	59	30	33	263
9,750– 10,249	75	121	205		111	147	175	72	35	37	293
10,250– 10,749	87	138	226		127	168	196	88	39	43	323
10,750– 11,249	100	155	251		144	190	217	110	43	52	353
11,250– 11,749	113	172	276		161	211	238	131	47	60	387
11,750– 12,249	126	192	302		180	232	264	163	52	69	421
12,250– 12,749	138	211	327		199	257	289	195	56	77	455
12,750– 13,249	152	232	353		220	283	315	227	60	86	489
13,250– 13,749	170	255	385		242	310	342	261	65	97	527
13,750– 14,249	190	282	420		270	340	372	305	70	112	572
14,250– 14,749	210	309	455		300	372	402	355	75	127	617
14,750– 15,249	230	339	490		330	407	432	405	85	142	662
15,250– 15,749	250	369	530		360	442	462	455	95	157	709
15,750– 16,249	270	399	570		392	477	494	505	105	175	759
16,250– 16,749	290	429	610		427	515	529	555	115	195	809
16,750– 17,249	310	459	650		462	555	564	605	125	215	859
17,250– 17,749	330	489	690		497	595	599	655	135	235	909
17,750– 18,249	350	519	730		533	635	634	705	145	255	959
18,250– 18,749	370	549	770		571	677	669	755	155	277	1,009
18,750– 19,249	390	579	810		608	722	704	805	165	302	1,059
19,250– 19,749	410	609	855		646	767	739	855	175	327	1,109
19,750– 20,249	430	639	900		683	812	774	905	187	352	1,159
20,250– 20,749	450	669	945		721	860	809	955	200	377	1,209
20,750– 21,249	470	699	990		758	910	844	1,007	212	405	1,259
21,250– 21,749	490	729	1,035		796	960	879	1,062	225	435	1,309
21,750– 22,249	510	759	1,080		833	1,010	914	1,117	237	465	1,359
22,250– 22,749	530	789	1,125		871	1,062	949	1,172	250	495	1,409

BEST COPY AVAILABLE

Tables

Table C. Average state income taxes (rates as of July 1973) (continued)

Pennsylvania	Rhode Island	South Carolina	Utah	Vermont	Virginia	West Virginia	Wisconsin	Income (before Federal tax)
$ 22	15% of federal income tax at all income levels			25% of federal income tax at all income levels				$ 750-$ 1,249
34								1,250- 1,749
45								1,750- 2,249
57								2,250- 2,749
68							$ 9	2,750- 3,249
80							25	3,250- 3,749
91			$ 8		$ 8	$ 8	45	3,750- 4,249
103			16		16	17	65	4,250- 4,749
114		$ 5	27		25	26	87	4,750- 5,249
126		13	40		33	35	110	5,250- 5,749
137		22	54		42	44	133	5,750- 6,249
149		30	71		50	53	158	6,250- 6,749
160		39	88		59	61	184	6,750- 7,249
172		51	108		71	70	211	7,250- 7,749
183		64	130		84	79	239	7,750- 8,249
195		76	153		96	89	269	8,250- 8,749
206		89	179		109	98	301	8,750- 9,249
218		103	204		123	108	334	9,250- 9,749
229		120	232		145	118	369	9,750- 10,249
240		137	260		166	128	403	10,250- 10,749
252		154	287		187	138	440	10,750- 11,249
263		171	315		208	147	478	11,250- 11,749
275		190	343		230	157	516	11,750- 12,249
286		211	370		251	167	556	12,250- 12,749
298		232	398		272	177	595	12,750- 13,249
310		255	427		295	190	640	13,250- 13,749
324		280	460		320	204	690	13,750- 14,249
337		310	492		345	218	742	14,250- 14,749
351		340	525		370	232	795	14,750- 15,249
364		370	557		395	246	852	15,250- 15,749
378		400	590		420	260	909	15,750- 16,249
391		435	622		445	274	966	16,250- 16,749
405		470	655		470	288	1,023	16,750- 17,249
418		505	687		499	304	1,080	17,250- 17,749
432		540	720		528	320	1,137	17,750- 18,249
445		575	752		557	336	1,194	18,250- 18,749
459		610	785		586	352	1,251	18,750- 19,249
472		645	817		615	368	1,308	19,250- 19,749
486		680	850		644	384	1,365	19,750- 20,249
499		715	882		673	400	1,422	20,250- 20,749
513		750	915		702	416	1,479	20,750- 21,249
526		785	947		731	433	1,536	21,250- 21,749
540		820	980		760	451	1,593	21,750- 22,249
553		855	1,012		789	468	1,650	22,250- 22,749

31-506 O - 74 - 13

Table C. Average state income taxes (rates as of July 1973) (continued)

Income (before Federal tax)	*Mississippi*	*Missouri*	*Montana*	*Nebraska*	*New Mexico*	*New York*	*North Carolina*	*North Dakota*	*Ohio*	*Oklahoma*	*Oregon*
$22,750–$23,249	$550	$819	$1,170		$ 908	$1,117	$ 984	$1,227	$262	$525	$1,459
23,250– 23,749	570	849	1,215		946	1,172	1,019	1,282	275	555	1,509
23,750– 24,249	590	879	1,260		983	1,227	1,054	1,337	287	585	1,559
24,250– 24,749	610	909	1,305		1,021	1,285	1,089	1,392	300	615	1,609
24,750– 25,249	630	939	1,350		1,058	1,345	1,124	1,447	315	645	1,659

BEST COPY AVAILABLE

Table C. Average state income taxes (rates as of July 1973) (continued)

Pennsylvania	Rhode Island	South Carolina	Utah	Vermont	Virginia	West Virginia	Wisconsin	Income (before federal tax)
$567		$ 890	$1,045		$818	$486	$1,707	$22,750–$23,249
580		925	1,077		847	503	1,764	23,250– 23,749
594		960	1,110		876	521	1,821	23,750– 24,249
607		995	1,142		905	538	1,878	24,250– 24,749
621		1,030	1,175		934	556	1,935	24,750– 25,249

BEST COPY AVAILABLE

Table D. Income supplement, for two-parent family (age of father)

Net worth	*Age 40–44*	*Age 45–49*	*Age 50–54*	*Age 55–59*	*Age 60+*
$ 0–$ 1,999	$−399	$−612	$−820	$−1,111	$−1,536
2,000– 3,999	−259	−432	−620	−891	−1,296
4,000– 5,999	−119	−252	−420	−671	−1,056
6,000– 7,999	36	−72	−220	−451	−816
8,000– 9,999	276	132	−20	−231	−576
10,000– 11,999	516	352	180	−11	−336
12,000– 13,999	756	572	380	171	−96
14,000– 15,999	996	792	580	351	84
16,000– 17,999	1,236	1,012	780	531	224
18,000– 19,999	1,476	1,232	980	711	364
20,000– 21,999	1,716	1,452	1,180	891	504
22,000– 23,999	1,956	1,672	1,380	1,071	644
24,000– 25,999	2,196	1,892	1,580	1,251	784
26,000– 27,999	2,436	2,112	1,780	1,431	924
28,000– 29,999	2,676	2,332	1,980	1,611	1,064
30,000– 31,999	2,916	2,552	2,180	1,791	1,204
32,000– 33,999	3,156	2,772	2,380	1,971	1,344
34,000– 35,999	3,396	2,992	2,580	2,151	1,484
36,000– 37,999	3,636	3,212	2,780	2,331	1,624
38,000– 39,999	3,876	3,432	2,980	2,511	1,764
40,000– 41,999	4,116	3,652	3,180	2,691	1,904
42,000– 43,999	4,356	3,872	3,380	2,871	2,044
44,000– 45,999	4,596	4,092	3,580	3,051	2,184
46,000– 47,999	4,836	4,312	3,780	3,231	2,324
48,000– 49,999	5,076	4,532	3,980	3,411	2,464
50,000– 51,999	5,316	4,752	4,180	3,591	2,604
52,000– 53,999	5,556	4,972	4,380	3,771	2,744
54,000– 55,999	5,796	5,192	4,580	3,951	2,884
56,000– 57,999	6,036	5,412	4,780	4,131	3,024
58,000– 59,999	6,276	5,632	4,980	4,311	3,164
60,000– 61,999	6,516	5,852	5,180	4,491	3,304
62,000– 63,999	6,756	6,072	5,380	4,671	3,444
64,000– 65,999	6,996	6,292	5,580	4,851	3,584
66,000– 67,999	7,236	6,512	5,780	5,031	3,724
68,000– 69,999	7,476	6,732	5,980	5,211	3,864
70,000– 71,999	7,716	6,952	6,180	5,391	4,004
72,000– 73,999	7,956	7,172	6,380	5,571	4,144
74,000– 75,999	8,196	7,392	6,580	5,751	4,284
76,000– 77,999	8,436	7,612	6,780	5,931	4,424
78,000– 79,999	8,676	7,832	6,980	6,111	4,564
80,000– 81,999	8,916	8,052	7,180	6,291	4,704
82,000– 83,999	9,156	8,272	7,380	6,471	4,844
84,000– 85,999	9,396	8,492	7,580	6,651	4,984
86,000– 87,999	9,636	8,712	7,780	6,831	5,124
88,000– 89,999	9,876	8,932	7,980	7,011	5,264
90,000– 91,999	10,116	9,152	8,180	7,191	5,404
92,000– 93,999	10,356	9,372	8,380	7,371	5,544
94,000– 95,999	10,596	9,592	8,580	7,551	5,684
96,000– 97,999	10,836	9,812	8,780	7,731	5,824
98,000– 99,999	11,076	10,032	8,980	7,911	5,964

BEST COPY AVAILABLE

Table D. Income supplement, for one-parent family (age of mother)

Net worth	*Age 40–44*	*Age 45–49*	*Age 50–54*	*Age 55–59*	*Age 60+*
$ 0–$ 1,999	$ −243	$ −380	$ −560	$ −810	$ −1,162
2,000– 3,999	−183	−300	−460	−690	−1,022
4,000– 5,999	−123	−220	−360	−570	−882
6,000– 7,999	−63	−140	−260	−450	−742
8,000– 9,999	−3	−60	−160	−330	−602
10,000– 11,999	133	30	−60	−210	−462
12,000– 13,999	273	150	40	−90	−322
14,000– 15,999	413	270	140	20	−182
16,000– 17,999	553	390	240	100	−42
18,000– 19,999	693	510	340	180	42
20,000– 21,999	833	630	440	260	102
22,000– 23,999	973	750	540	340	162
24,000– 25,999	1,113	870	640	420	222
26,000– 27,999	1,253	990	740	500	282
28,000– 29,999	1,393	1,110	840	580	342
30,000– 31,999	1,533	1,230	940	660	402
32,000– 33,999	1,673	1,350	1,040	740	462
34,000– 35,999	1,813	1,470	1,140	820	522
36,000– 37,999	1,953	1,590	1,240	900	582
38,000– 39,999	2,093	1,710	1,340	980	642
40,000– 41,999	2,233	1,830	1,440	1,060	702
42,000– 43,999	2,373	1,950	1,540	1,140	762
44,000– 45,999	2,513	2,070	1,640	1,220	822
46,000– 47,999	2,653	2,190	1,740	1,300	882
48,000– 49,999	2,793	2,310	1,840	1,380	942
50,000– 51,999	2,933	2,430	1,940	1,460	1,002
52,000– 53,999	3,073	2,550	2,040	1,540	1,062
54,000– 55,999	3,213	2,670	2,140	1,620	1,122
56,000– 57,999	3,353	2,790	2,240	1,700	1,182
58,000– 59,999	3,493	2,910	2,340	1,780	1,242
60,000– 61,999	3,633	3,030	2,440	1,860	1,302
62,000– 63,999	3,773	3,150	2,540	1,940	1,362
64,000– 65,999	3,913	3,270	2,640	2,020	1,422
66,000– 67,999	4,053	3,390	2,740	2,100	1,482
68,000– 69,999	4,193	3,510	2,840	2,180	1,542
70,000– 71,999	4,333	3,630	2,940	2,260	1,602
72,000– 73,999	4,473	3,750	3,040	2,340	1,662
74,000– 75,999	4,613	3,870	3,140	2,420	1,722
76,000– 77,999	4,753	3,990	3,240	2,500	1,782
78,000– 79,999	4,893	4,110	3,340	2,580	1,842
80,000– 81,999	5,033	4,230	3,440	2,660	1,902
82,000– 83,999	5,173	4,350	3,540	2,740	1,962
84,000– 85,999	5,313	4,470	3,640	2,820	2,022
86,000– 87,999	5,453	4,590	3,740	2,900	2,082
88,000– 89,999	5,593	4,710	3,840	2,980	2,142
90,000– 91,999	5,733	4,830	3,940	3,060	2,202
92,000– 93,999	5,873	4,950	4,040	3,140	2,262
94,000– 95,999	6,013	5,070	4,140	3,220	2,322
96,000– 97,999	6,153	5,190	4,240	3,300	2,382
98,000– 99,999	6,293	5,310	4,340	3,380	2,442

BEST COPY AVAILABLE

Table E. Total parents' contribution from adjusted effective income, by size of family*

Adjusted effective income	Number of dependent children									
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
$ 1,875–$ 2,124	$ –500	$ –500	$ –500	$ –500	$ –500	$ –500	$ –500	$ –500	$ –500	$ –500
2,125– 2,374	–500	–500	–500	–500	–500	–500	–500	–500	–500	–500
2,375– 2,624	–500	–500	–500	–500	–500	–500	–500	–500	–500	–500
2,625– 2,874	–500	–500	–500	–500	–500	–500	–500	–500	–500	–500
2,875– 3,124	–500	–500	–500	–500	–500	–500	–500	–500	–500	–500
3,125– 3,374	–431	–500	–500	–500	–500	–500	–500	–500	–500	–500
3,375– 3,624	–361	–500	–500	–500	–500	–500	–500	–500	–500	–500
3,625– 3,874	–290	–447	–500	–500	–500	–500	–500	–500	–500	–500
3,875– 4,124	–220	–394	–492	–500	–500	–500	–500	–500	–500	–500
4,125– 4,374	–149	–340	–445	–500	–500	–500	–500	–500	–500	–500
4,375– 4,624	–79	–287	–398	–467	–500	–500	–500	–500	–500	–500
4,625– 4,874	–8	–233	–350	–424	–490	–500	–500	–500	–500	–500
4,875– 5,124	62	–179	–303	–380	–449	–490	–500	–500	–500	–500
5,125– 5,374	132	–126	–256	–336	–409	–452	–492	–500	–500	–500
5,375– 5,624	203	–72	–208	–293	–369	–414	–456	–487	–500	–500
5,625– 5,874	273	–19	–161	–249	–329	–376	–420	–452	–479	–497
5,875– 6,124	344	35	–113	–206	–289	–338	–383	–418	–445	–464
6,125– 6,374	414	89	–66	–162	–249	–300	–347	–383	–412	–432
6,375– 6,624	485	142	–19	–119	–209	–262	–311	–348	–378	–399
6,625– 6,874	555	195	29	–75	–169	–224	–275	–314	–345	–366
6,875– 7,124	626	249	76	–32	–129	–186	–239	–279	–311	–333
7,125– 7,374	696	317	123	12	–89	–148	–203	–244	–278	–301
7,375– 7,624	767	385	171	55	–49	–110	–167	–209	–244	–268
7,625– 7,874	837	453	218	99	–9	–72	–131	–175	–210	–235
7,875– 8,124	908	521	271	142	31	–34	–94	–140	–177	–202
8,125– 8,374	978	589	331	186	71	4	–58	–105	–143	–170
8,375– 8,624	1,049	657	391	229	111	42	–22	–71	–110	–137
8,625– 8,874	1,119	725	451	279	151	80	14	–36	–76	–104
8,875– 9,124	1,185	793	512	334	191	118	50	–1	–43	–71
9,125– 9,374	1,247	861	572	390	231	156	86	33	–9	–39
9,375– 9,624	1,310	929	632	445	280	194	122	68	24	–6
9,625– 9,874	1,372	997	692	501	336	232	158	103	58	27
9,875– 10,124	1,440	1,066	753	557	392	278	195	138	92	60
10,125– 10,374	1,513	1,134	813	612	447	330	231	172	125	92
10,375– 10,624	1,585	1,197	873	668	503	383	274	207	159	125
10,625– 10,874	1,658	1,260	933	723	559	436	325	242	192	158
10,875– 11,124	1,737	1,322	994	779	615	489	375	288	226	191
11,125– 11,374	1,822	1,385	1,054	834	671	542	426	336	264	223
11,375– 11,624	1,907	1,455	1,114	890	727	595	476	384	311	259
11,625– 11,874	1,992	1,527	1,175	945	783	648	526	433	358	305
11,875– 12,124	2,086	1,600	1,237	1,001	839	701	577	481	405	350
12,125– 12,374	2,186	1,672	1,300	1,056	895	754	627	529	452	396
12,375– 12,624	2,286	1,754	1,362	1,112	951	807	678	578	499	441
12,625– 12,874	2,386	1,839	1,429	1,170	1,007	860	728	626	546	487

* The figures given for expected parents' contribution are values at the midpoint of the ranges of adjusted effective income. The minus sign before a figure indicates a "negative contribution" (see Chapter 2 for explanation).

BEST COPY AVAILABLE

Table E. Total parents' contribution from adjusted effective income, by size of family* (continued)

Adjusted effective income	Number of dependent children									
	1	2	3	4	5	6	7	8	9	10
$12,875-$13,124	$2,495	$1,924	$1,501	$1,232	$1,063	$ 913	$ 779	$ 674	$ 593	$ 532
13,125- 13,374	2,613	2,009	1,574	1,295	1,119	966	829	723	640	578
13,375- 13,624	2,730	2,106	1,646	1,357	1,177	1,018	879	771	686	624
13,625- 13,874	2,848	2,206	1,724	1,423	1,240	1,071	930	819	733	669
13,875- 14,124	2,977	2,306	1,809	1,495	1,302	1,124	980	868	780	715
14,125- 14,374	3,114	2,406	1,894	1,568	1,365	1,182	1,031	916	827	760
14,375- 14,624	3,252	2,519	1,979	1,640	1,431	1,245	1,081	964	874	806
14,625- 14,874	3,389	2,636	2,070	1,717	1,504	1,307	1,132	1,013	921	851
14,875- 15,124	3,527	2,754	2,170	1,802	1,576	1,370	1,190	1,061	968	897
15,125- 15,374	3,664	2,871	2,270	1,887	1,649	1,437	1,252	1,109	1,015	943
15,375- 15,624	3,802	3,004	2,370	1,972	1,727	1,510	1,315	1,160	1,062	988
15,625- 15,874	3,939	3,142	2,477	2,062	1,812	1,582	1,377	1,222	1,109	1,034
15,875- 16,124	4,077	3,279	2,584	2,162	1,897	1,655	1,446	1,285	1,157	1,079
16,125- 16,374	4,214	3,417	2,712	2,262	1,982	1,734	1,518	1,347	1,220	1,125
16,375- 16,624	4,352	3,554	2,829	2,362	2,074	1,819	1,591	1,411	1,282	1,177
16,625- 16,874	4,489	3,692	2,955	2,467	2,174	1,904	1,663	1,484	1,345	1,240
16,875- 17,124	4,627	3,829	3,092	2,585	2,274	1,989	1,744	1,556	1,408	1,302
17,125- 17,374	4,764	3,967	3,230	2,702	2,374	2,082	1,829	1,629	1,481	1,365
17,375- 17,624	4,902	4,104	3,367	2,820	2,481	2,182	1,914	1,703	1,553	1,431
17,625- 17,874	5,039	4,242	3,505	2,944	2,599	2,282	1,999	1,788	1,626	1,504
17,875- 18,124	5,177	4,379	3,642	3,081	2,716	2,382	2,094	1,873	1,700	1,576
18,125- 18,374	5,314	4,517	3,780	3,219	2,834	2,491	2,194	1,958	1,785	1,649
18,375- 18,624	5,452	4,654	3,917	3,356	2,960	2,608	2,294	2,046	1,870	1,727
18,625- 18,874	5,589	4,792	4,055	3,494	3,098	2,726	2,394	2,146	1,955	1,812
18,875- 19,124	5,727	4,929	4,192	3,631	3,235	2,843	2,505	2,246	2,042	1,897
19,125- 19,374	5,864	5,067	4,330	3,769	3,373	2,971	2,622	2,346	2,142	1,982
19,375- 19,624	6,002	5,204	4,467	3,906	3,510	3,109	2,740	2,445	2,242	2,074
19,625- 19,874	6,139	5,342	4,605	4,044	3,648	3,246	2,857	2,566	2,342	2,174
19,875- 20,124	6,277	5,479	4,742	4,181	3,785	3,384	2,988	2,683	2,444	2,274
20,125- 20,374	6,414	5,617	4,880	4,319	3,923	3,521	3,125	2,801	2,561	2,374
20,375- 20,624	6,552	5,754	5,017	4,456	4,060	3,659	3,263	2,922	2,679	2,481
20,625- 20,874	6,689	5,892	5,155	4,594	4,198	3,796	3,400	3,059	2,796	2,599
20,875- 21,124	6,827	6,029	5,292	4,731	4,335	3,934	3,538	3,197	2,916	2,716
21,125- 21,374	6,964	6,167	5,430	4,869	4,473	4,071	3,675	3,334	3,054	2,834
21,375- 21,624	7,102	6,304	5,567	5,006	4,610	4,209	3,813	3,472	3,191	2,960
21,625- 21,874	7,239	6,442	5,705	5,144	4,748	4,346	3,950	3,609	3,329	3,098
21,875- 22,124	7,377	6,579	5,842	5,281	4,885	4,484	4,088	3,747	3,466	3,235
22,125- 22,374	7,514	6,717	5,980	5,419	5,023	4,621	4,225	3,884	3,604	3,373
22,375- 22,624	7,652	6,854	6,117	5,556	5,160	4,759	4,363	4,022	3,741	3,510
22,625- 22,874	7,789	6,992	6,255	5,694	5,298	4,896	4,500	4,159	3,879	3,648
22,875- 23,124	7,927	7,129	6,392	5,831	5,435	5,034	4,638	4,297	4,016	3,785
23,125- 23,374	8,064	7,267	6,530	5,969	5,573	5,171	4,775	4,434	4,154	3,923
23,375- 23,624	8,202	7,404	6,667	6,106	5,710	5,309	4,913	4,572	4,291	4,060
23,625- 23,874	8,339	7,542	6,805	6,244	5,848	5,446	5,050	4,709	4,429	4,198
23,875- 24,124	8,477	7,679	6,942	6,381	5,985	5,584	5,188	4,847	4,566	4,335
24,125- 24,374	8,614	7,817	7,080	6,519	6,123	5,721	5,325	4,984	4,704	4,473
24,375- 24,624	8,752	7,954	7,217	6,656	6,260	5,859	5,463	5,122	4,841	4,610
24,625- 24,874	8,889	8,092	7,355	6,794	6,398	5,996	5,600	5,259	4,979	4,748

BEST COPY AVAILABLE

Table E. Total parents' contribution from adjusted effective income, by size of family (continued)

Adjusted effective income	Number of dependent children									
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
$24,875– 25,124	$ 9,027	$ 8,229	$ 7,492	$6,931	$6,535	$6,134	$5,738	$5,397	$5,116	$4,885
25,125– 25,374	9,164	8,367	7,630	7,069	6,673	6,271	5,875	5,534	5,254	5,023
25,375– 25,624	9,302	8,504	7,767	7,206	6,810	6,409	6,013	5,672	5,391	5,160
25,625– 25,874	9,439	8,642	7,905	7,344	6,948	6,546	6,150	5,809	5,529	5,298
25,875– 26,124	9,577	8,779	8,042	7,481	7,085	6,684	6,288	5,947	5,666	5,435
26,125– 26,374	9,714	8,917	8,180	7,619	7,223	6,821	6,425	6,084	5,804	5,573
26,375– 26,624	9,852	9,054	8,317	7,756	7,360	6,959	6,563	6,222	5,941	5,710
26,625– 26,874	9,989	9,192	8,455	7,894	7,498	7,096	6,700	6,359	6,079	5,848
26,875– 27,124	10,127	9,329	8,552	8,031	7,635	7,234	6,838	6,497	6,216	5,985
27,125– 27,374	10,264	9,467	8,730	8,169	7,773	7,371	6,975	6,634	6,354	6,123
27,375– 27,624	10,402	9,604	8,867	8,306	7,910	7,509	7,113	6,772	6,491	6,260
27,625– 27,874	10,539	9,742	9,005	8,444	8,048	7,646	7,250	6,909	6,629	6,398
27,875– 28,124	10,677	9,879	9,142	8,581	8,185	7,784	7,388	7,047	6,766	6,535
28,125– 28,374	10,814	10,017	9,280	8,719	8,323	7,921	7,525	7,184	6,904	6,673
28,375– 28,624	10,952	10,154	9,417	8,856	8,460	8,059	7,663	7,322	7,041	6,810
28,625– 28,874	11,089	10,292	9,555	8,994	8,598	8,196	7,800	7,459	7,179	6,948
28,875– 29,124	11,227	10,429	9,692	9,131	8,735	8,334	7,938	7,597	7,316	7,085
29,125– 29,374	11,364	10,567	9,830	9,269	8,873	8,471	8,075	7,734	7,454	7,223
29,375– 29,624	11,502	10,704	9,967	9,406	9,010	8,609	8,213	7,872	7,591	7,360
29,625– 29,874	11,639	10,842	10,105	9,544	9,148	8,746	8,350	8,009	7,729	7,498

BEST COPY AVAILABLE

Table F. Total parents' contribution from income before taxes, by size of family

Income (before federal tax)	Number of dependent children									
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
$ 1,875–$ 2,124	$–500	$–500	$–500	$–500	$–500	$–500	$–500	$–500	$–500	$–500
2,125– 2,374	–500	–500	–500	–500	–500	–500	–500	–500	–500	–500
2,375– 2,624	–500	–500	–500	–500	–500	–500	–500	–500	–500	–500
2,625– 2,874	–500	–500	–500	–500	–500	–500	–500	–500	–500	–500
2,875– 3,124	–500	–500	–500	–500	–500	–500	–500	–500	–500	–500
3,125– 3,374	–451	–500	–500	–500	–500	–500	–500	–500	–500	–500
3,375– 3,624	–389	–500	–500	–500	–500	–500	–500	–500	–500	–500
3,625– 3,874	–327	–453	–500	–500	–500	–500	–500	–500	–500	–500
3,875– 4,124	–266	–406	–492	–500	–500	–500	–500	–500	–500	–500
4,125– 4,374	–204	–358	–445	–500	–500	–500	–500	–500	–500	–500
4,375– 4,624	–143	–311	–400	–467	–500	–500	–500	–500	–500	–500
4,625– 4,874	–81	–264	–358	–424	–490	–500	–500	–500	–500	–500
4,875– 5,124	–20	–217	–316	–380	–449	–490	–500	–500	–500	–500
5,125– 5,374	[illegible]	–171	–274	–336	–409	–452	–492	–500	–500	–500
5,375– 5,624	102	–124	–233	–297	–369	–414	–456	–487	–500	–500
5,625– 5,874	163	–77	–191	–259	–329	–376	–420	–453	–479	–497
5,875– 6,124	224	–31	–150	–221	–289	–338	–383	–418	–445	–464
6,125– 6,374	285	15	–109	–182	–251	–300	–347	–383	–412	–432
6,375– 6,624	345	62	–67	–144	–215	–262	–311	–348	–378	–399
6,625– 6,874	405	108	–26	–106	–180	–224	–275	–314	–345	–366
6,875– 7,124	465	154	15	–68	–145	–186	–239	–279	–311	–333
7,125– 7,374	526	200	56	–30	–109	–152	–203	–244	–278	–301
7,375– 7,624	585	246	97	8	–74	–118	–167	–209	–244	–268
7,625– 7,874	644	304	138	46	–39	–85	–131	–175	–210	–235
7,875– 8,124	704	362	179	83	–4	–52	–96	–140	–177	–202
8,125– 8,374	763	420	219	121	30	–18	–64	–105	–143	–170
8,375– 8,624	822	477	263	159	65	15	–32	–71	–110	–137
8,625– 8,874	881	534	315	196	100	48	0	–36	–76	–104
8,875– 9,124	940	591	366	234	135	81	32	–4	–43	–71
9,125– 9,374	999	648	417	276	169	115	64	26	–9	–39
9,375– 9,624	1,058	705	468	324	204	148	95	57	24	–6
9,625– 9,874	1,117	762	518	371	238	180	127	88	57	27
9,875– 10,124	1,173	819	569	419	281	213	158	118	87	60
10,125– 10,374	1,225	876	619	465	329	246	190	148	116	92
10,375– 10,624	1,278	933	670	512	377	291	221	179	146	125
10,625– 10,874	1,330	990	720	558	425	336	254	209	176	155
10,875– 11,124	1,382	1,048	771	605	472	381	297	239	205	184
11,125– 11,374	1,440	1,105	821	652	519	427	341	278	234	213
11,375– 11,624	1,501	1,160	872	698	566	472	384	320	270	242
11,625– 11,874	1,562	1,213	922	745	613	51[illegible]	428	362	311	279
11,875– 12,124	1,623	1,265	973	791	660	562	471	403	352	319
12,125– 12,374	1,682	1,318	1,024	838	707	606	514	445	393	359
12,375– 12,624	1,750	1,370	1,074	885	754	651	557	487	433	399
12,625– 12,874	1,819	1,426	1,125	931	801	695	600	528	474	439

This table was developed for illustrative purposes only and is not used by the CSS in computing a parental contribution in its need analysis system. It provides figures that approximate CSS contributions, but only for families that have no allowances against income except a standard federal income tax based upon filing of a joint return, and for families that have no assets. Table F may, however, be useful for research and general planning purposes.

BEST COPY AVAILABLE

Table F. Total parents' contribution from income before taxes, by size of family (continued)

Income (before federal tax)	Number of dependent children									
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
$12,875–$13,124	$1,888	$1,[illegible]	$1,175	$ 978	$ 847	$ 739	$ 642	$ 569	$ 514	$ 478
13,125– 13,374	1,957	1,[illegible]45	1,228	1,024	894	784	684	611	555	517
13,375– 13,624	2,024	1,603	1,279	1,070	940	827	726	651	594	556
13,625– 13,874	2,102	1,659	1,330	1,115	985	870	766	690	633	594
13,875– 14,124	2,180	1,720	1,378	1,161	1,031	913	807	729	672	633
14,125– 14,374	2,258	1,786	1,431	1,212	1,076	956	848	769	711	671
14,375– 14,624	2,336	1,853	1,488	1,262	1,121	998	889	808	749	708
14,625– 14,874	2,414	1,919	1,545	1,311	1,168	1,041	930	847	787	746
14,875– 15,124	2,502	1,985	1,601	1,360	1,219	1,084	971	886	825	784
15,125– 15,374	2,594	2,056	1,658	1,410	1,270	1,127	1,012	925	863	821
15,375– 15,624	2,686	2,134	1,718	1,466	1,318	1,173	1,053	964	901	858
15,625– 15,874	2,777	2,212	1,785	1,523	1,367	1,224	1,093	1,004	939	895
15,875– 16,124	2,869	2,290	1,851	1,579	1,418	1,275	1,134	1,043	977	932
16,125– 16,374	2,971	2,368	1,917	1,636	1,475	1,323	1,181	1,082	1,015	969
16,375– 16,624	3,074	2,448	1,984	1,693	1,531	1,372	1,232	1,121	1,053	1,005
16,625– 16,874	3,177	2,540	2,054	1,759	1,588	1,424	1,282	1,163	1,091	1,042
16,875– 17,124	3,281	2,632	2,132	1,826	1,645	1,481	1,331	1,213	1,129	1,079
17,125– 17,374	3,384	2,720	2,210	1,892	1,703	1,537	1,380	1,264	1,172	1,116
17,375– 17,624	3,487	2,808	2,288	1,958	1,769	1,594	1,433	1,315	1,223	1,153
17,625– 17,874	3,590	2,896	2,366	2,024	1,836	1,650	1,489	1,363	1,273	1,204
17,875– 18,124	3,693	2,999	2,443	2,102	1,902	1,710	1,546	1,414	1,324	1,255
18,125– 18,374	3,796	3,102	2,531	2,180	1,968	1,776	1,603	1,471	1,375	1,305
18,375– 18,624	3,899	3,205	2,619	2,258	2,036	1,843	1,659	1,527	1,427	1,356
18,625– 18,874	4,002	3,308	2,707	2,333	2,114	1,909	1,720	1,584	1,484	1,408
18,875– 19,124	4,106	3,411	2,795	2,408	2,192	1,975	1,786	1,640	1,540	1,466
19,125– 19,374	4,209	3,514	2,883	2,492	2,270	2,044	1,853	1,698	1,597	1,523
19,375– 19,624	4,312	3,617	2,984	2,580	2,345	2,122	1,919	1,764	1,653	1,579
19,625– 19,874	4,415	3,721	3,087	2,668	2,420	2,200	1,985	1,831	1,713	1,636
19,875– 20,124	4,518	3,824	3,190	2,756	2,506	2,278	2,056	1,897	1,780	1,693
20,125– 20,374	4,621	3,927	3,293	2,845	2,594	2,353	2,134	1,963	1,846	1,759
20,375– 20,624	4,720	4,030	3,396	2,938	2,682	2,428	2,212	2,030	1,912	1,826
20,625– 20,874	4,819	4,133	3,499	3,041	2,770	2,516	2,290	2,108	1,979	1,892
20,875– 21,124	4,918	4,236	3,602	3,144	2,859	2,603	2,365	2,186	2,048	1,958
21,125– 21,374	5,017	4,335	3,705	3,248	2,955	2,692	2,441	2,264	2,126	2,024
21,375– 21,624	5,116	4,434	3,809	3,351	3,058	2,780	2,530	2,342	2,204	2,102
21,625– 21,874	5,215	4,533	3,912	3,454	3,161	2,868	2,618	2,417	2,282	2,180
21,875– 22,124	5,314	4,632	4,011	3,557	3,264	2,966	2,706	2,502	2,360	2,258
22,125– 22,374	5,413	4,731	4,110	3,660	3,367	3,069	2,794	2,591	2,439	2,336
22,375– 22,624	5,512	4,830	4,209	3,763	3,470	3,172	2,882	2,679	2,527	2,414
22,625– 22,874	5,611	4,929	4,308	3,862	3,573	3,275	2,982	2,767	2,615	2,502
22,875– 23,124	5,710	5,028	4,407	3,961	3,677	3,378	3,085	2,855	2,704	2,594
23,125– 23,374	5,809	5,127	4,506	4,060	3,780	3,481	3,188	2,951	2,791	2,682
23,375– 23,624	5,908	5,226	4,605	4,159	3,879	3,584	3,292	3,054	2,880	2,770
23,625– 23,874	6,007	5,325	4,704	4,258	3,978	3,688	3,395	3,157	2,979	2,859
23,875– 24,124	6,106	5,424	4,803	4,357	4,077	3,791	3,498	3,260	3,083	2,955
24,125– 24,374	6,205	5,523	4,902	4,456	4,176	3,890	3,601	3,363	3,186	3,058
24,375– 24,624	6,299	5,622	5,001	4,555	4,275	3,989	3,704	3,466	3,289	3,161
24,625– 24,874	6,392	5,721	5,100	4,654	4,374	4,088	3,807	3,569	3,392	3,264

BEST COPY AVAILABLE

Table F. Total parents' contribution from income before taxes, by size of family (continued)

Income (before federal tax)	Number of dependent children									
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
$24,875–$25,124	$6,486	$5,820	$5,199	$4,753	$4,473	$4,187	$3,906	$3,672	$3,495	$3,367
25,125– 25,374	6,579	5,914	5,298	4,852	4,572	4,286	4,005	3,776	3,598	3,470
25,375– 25,624	6,673	6,007	5,397	4,951	4,671	4,385	4,104	3,879	3,701	3,573
25,625– 25,874	6,766	6,101	5,496	5,050	4,770	4,484	4,203	3,978	3,804	3,677
25,875– 26,124	6,860	6,194	5,589	5,149	4,869	4,583	4,302	4,077	3,908	3,780
26,125– 26,374	6,953	6,288	5,683	5,248	4,968	4,682	4,401	4,176	4,011	3,883
26,375– 26,624	7,047	6,381	5,776	5,347	5,067	4,781	4,500	4,275	4,110	3,986
26,625– 26,874	7,140	6,475	5,870	5,441	5,166	4,880	4,599	4,374	4,209	4,089
26,875– 27,124	7,234	6,568	5,963	5,534	5,265	4,979	4,698	4,473	4,308	4,192
27,125– 27,374	7,327	6,662	6,057	5,628	5,364	5,078	4,797	4,572	4,407	4,291
27,375– 27,624	7,421	6,755	6,150	5,721	5,457	5,177	4,896	4,671	4,506	4,390
27,625– 27,874	7,514	6,849	6,244	5,815	5,551	5,276	4,995	4,770	4,605	4,489
27,875– 28,124	7,608	6,942	6,337	5,908	5,644	5,375	5,094	4,869	4,704	4,588
28,125– 28,374	7,701	7,036	6,431	6,002	5,738	5,468	5,193	4,968	4,803	4,687
28,375– 28,624	7,789	7,129	6,524	6,095	5,831	5,562	5,292	5,067	4,902	4,786
28,625– 28,874	7,877	7,223	6,618	6,189	5,925	5,655	5,391	5,166	5,001	4,885
28,875– 29,124	7,965	7,316	6,711	6,282	6,018	5,749	5,485	5,265	5,100	4,984
29,125– 29,374	8,053	7,404	6,805	6,376	6,112	5,842	5,578	5,364	5,199	5,083
29,375– 29,624	8,141	7,492	6,898	6,469	6,205	5,936	5,672	5,463	5,298	5,182
29,625– 29,874	8,229	7,580	6,992	6,563	6,299	6,029	5,765	5,556	5,397	5,281

BEST COPY AVAILABLE

Table G. Total pay and allowances of military personnel (as of January 1, 1973)

Navy	*Admiral*	*Vice Admiral*	*Rear Adm. Upper half*	*Rear Adm. Lower half*	*Captain*	*Comdr.*	*Lieut. Comdr.*	*Lieut.*	*Lieut. j.g.*	*Ensign*
Army	*General*	*Lieut. General*	*Major General*	*Brigadier General*	*Colonel*	*Lieut. Colonel*	*Major*	*Captain*	*First Lieut.*	*Second Lieut.*
Air Force	*General*	*Lieut. General*	*Major General*	*Brigadier General*	*Colonel*	*Lieut. Colonel*	*Major*	*Captain*	*First Lieut.*	*Second Lieut.*
Pay grade	*O-10*	*O-9*	*O-8*	*O-7*	*O-6*	*O-5*	*O-4*	*O-3*	*O-2*	*O-1*
Years of service										
Under 2	$33,010	$29,716	$27,293	$23,358	$18,002	$14,892	$12,821	$11,658	$10,510	$ 9,066
Over 2	34,032	30,393	27,992	24,680	19,420	16,894	14,916	12,958	11,234	9,347
Over 3	34,032	30,954	28,564	24,680	20,446	17,825	15,712	13,646	12,954	10,823
Over 4	34,032	30,954	28,564	24,680	20,446	17,825	15,712	14,794	13,296	10,823
Over 6	34,032	30,954	28,564	25,598	20,446	17,825	15,935	15,359	13,520	10,823
Over 8	37,381	32,135	30,393	25,598	20,446	17,825	16,504	15,806	13,520	10,823
Over 10	37,381	32,135	30,393	26,854	20,446	18,268	17,411	16,497	13,520	10,823
Over 12	39,768	33,280	31,635	26,854	20,446	19,056	18,218	17,174	13,520	10,823
Over 14	39,768	33,280	31,635	27,992	21,015	20,100	18,905	17,523	13,520	10,823
Over 16	42,169	35,681	32,780	30,393	23,758	21,350	19,589	17,523	13,520	10,823
Over 18	42,169	3[illegible],681	34,032	32,204	24,784	22,379	20,046	17,523	13,520	10,823
Over 20	42,230	38,068	35,181	32,204	25,241	22,948	20,046	17,523	13,520	10,823
Over 22	42,230	38,068	36,434	32,204	26,498	23,636	20,046	17,523	13,520	10,823
Over 26	42,230	40,469	36,434	32,204	28,400	23,636	20,046	17,523	13,520	10,823
Monthly quarters allowance	288	288	288	288	258.30	238.20	215.40	175.50	175.80	141.60

Note: *For commissioned and warrant officers*, the appropriate quarters allowance for each rank and the basic subsistence allowance of $47.88 per month are included in the total pay figures as shown above. The quarters allowance is also listed separately for information purposes. Hazardous duty pay and incentive pay, however, are not included.

Incentive pay is primarily for aerial flights not as a crew member and parachute jumping. Hazardous duty pay is for flying duty as a crew member and submarine duty. The rates of such pay per month, for the various commissioned and warrant ranks, are as follows.

Pay grade	*O-10*	*O-9*	*O-8*	*O-7*	*O-6*	*O-5*	*O-4*	*O-3*	*O-2*	*O-1*	*W-4*	*W-3*	*W-2*	*W-1*
Hazardous duty	$165	$165	$165	$160	$245	$245	$240	$205	$160	$135	$165	$140	$135	$130
Incentive	110	110	110	110	110	110	110	110	110	110	110	110	110	110

Table G. Total pay and allowances of military personnel (as of January 1, 1973) (continued)

Navy	Commissioned Warrant Officer	Commissioned Warrant Officer	Commissioned Warrant Officer	Warrant Officer	Master Chief Petty Officer	Senior Chief Petty Officer	Chief Petty Officer	Petty Officer First Class	Petty Officer Second Class	Petty Officer Third Class	Seaman
Army	Chief Warrant Officer (W-4 Grade)	Chief Warrant Officer (W-3 Grade)	Chief Warrant Officer (W-2 Grade)	Warrant Officer (W-1 Grade)	Chief Master Sergeant	Master Sergeant	Sergeant First Class	Staff Sergeant	Sergeant	Corporal	Private First Class
Air Force	Chief Warrant Officer (W-4 Grade)	Chief Warrant Officer (W-3 Grade)	Chief Warrant Officer (W-2 Grade)	Warrant Officer (W-1 Grade)	Chief Master Sergeant	Senior Master Sergeant	Master Sergeant	Technical Sergeant	Staff Sergeant	Sergeant	Airman First Class
Pay grade	W-4	W-3	W-2	W-1	E-9	E-8	E-7	E-6	E-5	E-4	E-3
Years of service											
Under 2										$5,950	$5,583
Over 2	$12,213	$11,190	$ 9,930	$ 8,570				$7,588	$6,742	6,199	5,817
Over 3	12,879	11,892	10,532	9,462				7,851	7,009	6,494	6,022
Over 4	12,879	11,964	10,532	9,462				8,096	7,239	6,877	6,206
Over 6	13,106	12,004	10,762	10,038				8,334	7,599	7,095	6,206
Over 8	13,563	12,116	11,208	10,377				8,571	7,837	7,095	6,206
Over 10	14,024	12,792	11,676	10,719		$10,864	$ 9,540	8,812	8,078	7,095	6,206
Over 12	14,477	13,368	12,018	11,054	$12,679	11,106	9,777	9,172	8,308	7,095	6,206
Over 14	15,284	13,710	12,357	11,403	12,916	11,343	10,022	9,403	8,434	7,095	6,206
Over 16	15,845	14,052	12,695	11,745	13,158	11,584	10,386	9,650	8,434	7,095	6,206
Over 18	16,299	14,391	13,044	12,087	13,406	11,829	10,620	9,763	8,434	7,095	6,206
Over 20	16,644	14,747	13,383	12,422	13,651	12,060	10,857	9,763	8,434	7,095	6,206
Over 22	17,098	15,201	13,725	12,774	13,874	12,304	10,976	9,763	8,434	7,095	6,206
Over 26	17,562	15,651	14,175	12,774	14,486	12,898	11,577	9,763	8,434	7,095	6,206
	18,686	16,104	14,175	12,774	15,670	14,097	12,769	9,763	8,434	7,095	6,206
Monthly quarters allowance	207.90	191.70	173.70	160.80	184.20	172.20	161.40	150	138.60	121.50	105

Note: *For noncommissioned officers*, the appropriate quarters allowance is included in the total pay figures above. Hazardous duty pay, incentive pay, overseas pay, and any subsistence allowance are not included. The normal subsistence allowance for noncommissioned officers living off military bases is $33 per month. However, there is considerable variation in the amount, and not all enlisted men receive subsistence allowances. Therefore, the total pay and allowance figures given above *do not include* subsistence allowance. The rates of pay per month for hazardous duty, incentive, or overseas duty are as follows.

Pay grade	E-9	E-8	E-7	E-6	E-5	E-4	E-3
Hazardous duty	$105	$105	$105	$100	$95	$80	$60
Incentive	55	55	55	55	55	55	55
Sea and foreign duty	23	23	23	20	16	16	16

BEST COPY AVAILABLE

APPENDIX B-3

HANDBOOK FOR FINANCIAL AID ADMINISTRATORS

1973-74
Processing Year
for
Academic Year
1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

BEST COPY AVAILABLE

Chapter 1

AN OVERVIEW OF STUDENT FINANCIAL AID

We live in a rapidly changing world. Postsecondary education has reflected this change, and one of the most visible indicators has been the phenomenal growth of student financial aid.

Prior to 1958, scholarships, loans, and student jobs were available at most colleges. However, scholarships were frequently used as a competitive recruiting device. Loan funds were not well publicized and were often jealously guarded by a clerk-administrator. Jobs were available, but pay was modest and employment was more often viewed as an aid to the institution rather than the student. The various forms of aid were usually administered in a fragmented manner by different committees and in a variety of campus offices.

The passage of the National Defense Education Act (NDEA) of 1958 and its student loan provision inaugurated the era of modern student financial aid. Colleges suddenly found themselves with large sums of student loan monies, available at excellent terms and accompanied by widespread publicity. Demand for these funds was spontaneous and overwhelming. Most colleges had to appoint a single individual to administer the program, and the subsequent organizing, in most institutions, of a centralized coordinated student aid office was a logical outgrowth.

Since 1958, the scope of financial aid programs has expanded rapidly. The NDEA was intended to entice students into academic areas that presumably related to national defense. More recent programs reflect a broader commitment to make postsecondary education available to all those who desire and can profit from it. The Supplemental Educational Opportunity Grant (SEOG) Program reflects a commitment to especially needy students. Other current student financial aid programs assist students attending vocational and technical schools and help finance private colleges.

The Education Amendments of 1972 reflect yet another and more basic commitment, in that the concept of *entitlement* is introduced. The Basic Educational Opportunity Grant provision of these Amendments provides a minimum *base* amount of financial aid to every student who can demonstrate financial need according to the criteria established for the program by the Office of Education. If the student qualifies, he or she is guaranteed a basic grant. This seems to indicate that financial aid to students will play a significant role in any future plans for the financing of higher education.

The Changing Philosophy of Student Financial Aid

There has been a shifting of the philosophical basis underlying financial aid programs. Historically, student financial assistance has been viewed as a recruiting device or an aid to the institution as much as it has been considered a tool for assisting students. However, this perception has changed substantially in recent years. Student financial aid programs now reflect a wide variety of individual, national, and institutional concerns.

Individual Development. Most current financial aid programs focus on the student as an individual. They are intended to:

1. Remove the financial barrier to education for those who are unable to pay. Much of this thrust has come from the revelation that each year thousands of able high school graduates do not continue their education. While this may be due to many factors, including inability to pay, finances are a part of the problem that can be readily identified and remedied. It is probably no accident that as student aid has

BEST COPY AVAILABLE

grown, the proportion of high school graduates continuing their education has also grown.

2. Ease the financial burden for those who are more able to pay. There are many families who could finance the education of their children, but only by imposing stringent economic restrictions upon themselves. With rising costs, even families with comfortable incomes often find it difficult to pay the bills, particularly when there are two or more children in postsecondary education at the same time.

3. Manifest a special commitment to disadvantaged students. Many financial aid programs are aimed especially at assisting those students who would not ordinarily consider any education beyond high school. A number of aid programs currently identify, encourage, and assist these students. These programs recognize the fact that many students have been relegated to life patterns far below their capacities, not for a lack of ability, but for a lack of information and finances, and for a multitude of other factors unrelated to ability.

National Interest. Student aid programs have often been associated with some need felt to be in the national interest; these include for example, the National Youth Administration Work Program of the 1930s, the Emergency War Loan Program of the 1940s, the G.I. Bill, and the National Defense Student Loan Program of the 1950s. Other examples, particularly on the graduate level, are numerous.

There are excellent reasons for basing student aid programs on critical national needs. Specific manpower requirements must be met for the nation to grow and prosper. An adequate defense status must be maintained. And, in a time of rapid and profound technological and social change, a populace able to comprehend and come to grips with complex and sophisticated problems is needed. The nation depends upon these abilities, and education is an essential means for developing them.

Institutional Interests. Again historically, one of the chief goals of student aid programs has been to enhance the institution competitively, to use scholarship monies for recruiting purposes. However, student aid programs can serve other institutional interests. Two of them are:

1. To provide a student body consistent with institutional goals and philosophy. There are various aid programs which, properly used, will attract specific groups of students: those planning a particular academic major, disadvantaged students, students from various religious or ethnic backgrounds, etc. Judicious and proper use of student aid funds will often reinforce institutional efforts in this respect.

2. To help finance the institution. Students pay for only part of the cost of their education. In public institutions much of the cost is sustained by taxpayers; in private institutions, funds come from diverse sources. Student aid programs are thus an important source of revenue, a fact that is becoming even more crucial as the cost of education continues to rise.

Common Interest. When an individual develops to his capacity, the benefits are social as well as personal. Aid programs are an investment in an individual, an institution, and the society at large. While individual programs may have limiting criteria and goals, the collective effect of all programs has been to benefit all of us. It thus behooves the financial aid administrator not only to administer his programs according to their individual goals, but also to harness all his resources so that they work together for the greatest common good.

Specific Student Financial Assistance Programs

FEDERAL PROGRAMS

The largest single source of undergraduate student aid is the series of programs administered by the U.S. Office of Education. These programs are described below. The 1972 Education Amendments retitled some of the programs and, in these cases, the new titles are used.

College Work-Study Program. Students who need a job to help pay for the expenses of higher education are potentially eligible for employment by their institutions under federally supported work-study programs.

In order to qualify, students must demonstrate financial need. Preference is given to those students with the greatest financial need *after* the application of all public and private grants. Students may work part time for the institution while attending classes at least half time. During the summer or other vacation periods when they do not have classes, students may work full time under

BEST COPY AVAILABLE

this program. The minimum basic pay rate is usually the existing federal minimum hourly wage rate, although higher rates may be paid for more specialized work. The basic rate may also vary upward as determined by state or local regulations. In 3 months of summer employment under the work-study program, a student can earn a substantial portion of his educational expenses. This amount, supplemented by his weekly earnings during the school year, could help provide total educational costs including clothing, transportation, and personal expenses. The federal government provides 80% of the student's earnings and the institution contributes the balance.

National Direct Student Loan Program. Many postsecondary educational institutions in the United States participate in the National Direct Student Loan Program. High school graduates who have been accepted for enrollment by an approved postsecondary educational institution, or students enrolled in full-time or at least half-time courses of study, are eligible for student loans. Applicants must demonstrate financial need in order to qualify.

Cumulative loan limitations are $2,500 for the first 2 years, $5,000 for the bachelor's degree, or $10,000 for graduate or professional study.

The repayment period and the interest do not begin until 9 months after the student completes his studies. The loans bear interest at the rate of 3% per year and repayment of principal may be extended over a 10-year period, except that the institution may require a repayment of no less than $30 per month.

If the borrower becomes a full-time teacher in a public or private nonprofit elementary or secondary school located in a low-income district, a full-time staff member in certain preschool programs, a teacher of handicapped children in a public or private nonprofit elementary or secondary school, or a member of the armed forces engaged in service that qualifies for combat pay, he/she may be eligible for loan cancellation at varying rates.

The institutions approve and make the loans and are responsible for collections. However, the institutions have to provide only one-ninth of the total amount of the loans.

Repayment may be deferred up to a total of 3 years while the borrower is serving in the armed forces, in the Peace Corps, or as a Volunteer in Service to America (VISTA). Repayment may be deferred for as long as the borrower is enrolled at an institution of higher education and is carrying at least a half-time academic work load.

Nursing Student Loan Program. These loans are available to nursing students attending approved nursing schools offering a diploma, associate degree, baccalaureate or equivalent degree, or a graduate degree in nursing. The amount of the loan may range up to $2,500 per academic year, depending upon need, to a total of $10,000. Repayment may be made on a monthly, quarterly, semiannual, or annual basis beginning 9 months after the borrower ceases to be a full-time student, and may be repaid over a 10-year period.

Repayment may be deferred up to 3 years during periods of active duty as a member of a uniformed service, or up to 5 years during periods spent as a full-time student pursuing advanced professional training in nursing. Interest does not accrue during periods of deferment. Up to 85% of the loan may be canceled if the borrower is employed as a registered nurse under specified circumstances. Loans are based upon financial need and are awarded by the institution.

Nursing Scholarship (Grant) Program. The purpose of this program is to assist nursing students with exceptional financial need.

Awards are made by approved colleges and schools of nursing and may range up to $2,000 per year depending upon need. The major criterion for an award is demonstration of exceptional financial need.

Health Professions Student Loan Program. This program is designed to assist students in the fields of medicine, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and osteopathy, by providing long-term, low-interest loans.

Eligibility requirements include national citizenship or evidence of intention to become a permanent resident, acceptance for enrollment in a participating institution as a full-time student pursuing a course of study leading to a Bachelor of Science in pharmacy or doctorate or equivalent in any of the above fields, and demonstration of need for the loan. Preprofessional students, interns, residents, and students seeking advanced training are not eligible for assistance under this program.

A maximum of $3,500 may be borrowed for an academic year. Loans are repayable over a 10-year period commencing 1 year after the student ceases full-time study. Interest accrues at the rate of 3% per annum during the period the loan is repayable. Repayments may be deferred for up to 3 years for active duty as a

31-506 O - 74 - 13

BEST COPY AVAILABLE

member of a uniformed service or as a Peace Corps volunteer and also until any advanced professional training is completed.

Up to 60% of the loan, plus accrued interest, may be canceled for the practice of medicine, dentistry, optometry, pharmacy, podiatry, or veterinary medicine for at least 2 years in a designated shortage area. An additional 25% will be canceled for a third year of practice in such an area.

Health Professions Scholarship Program. This program provides scholarships of up to $3,500 per year to students of exceptional financial need who are pursuing a course of study leading to doctor of medicine, doctor of dental surgery or equivalent degree, doctor of osteopathy, doctor of optometry or equivalent, bachelor of science in pharmacy or equivalent, doctor of podiatry or equivalent, or doctor of veterinary medicine or equivalent. The qualifications are essentially the same as for a Health Professions Loan except the applicant must demonstrate *exceptional* financial need.

Supplemental Educational Opportunity Grant Program. Supplemental Educational Opportunity Grants are available to a limited number of undergraduate students with exceptional financial need who require these grants for postsecondary education.

Eligible students who are accepted for enrollment on a full-time basis or who are currently enrolled in good standing can receive Supplemental Educational Opportunity Grants. The grant may not exceed the lesser of $1,500 or one-half the total amount of student financial aid provided by the institution (including BEOG, NDSL, and CWSP) and any state or private grant. All SEOG awards must be accompanied by an equivalent amount of other aid (called "matching funds").

The amount of financial assistance a student can receive depends upon his or her "need" (difference between institutional cost and family financial contribution toward that cost, as defined by program guidelines).

Federally Insured Student Loan Program. Under this program a student may borrow from a bank or other financial institution. Currently, a student may borrow as much as $2,500 a year, up to a total of $7,500 for undergraduates and $10,000 for graduate students. The student must demonstrate financial need in order to qualify for a Federally Insured Student Loan. Educational institutions are required to recommend the amount of subsidized loans to the lender. Repayment of principal and interest begins when the student has ceased the course of study.

Law Enforcement Education Program. This is a program to help finance college study by law enforcement personnel and students preparing for law enforcement careers, and is administered by the Law Enforcement Assistance Administration. Two types of financial aid are available:

1. Loans up to $2,200 per academic year for full-time students
2. Grants up to $250 per academic quarter or $400 per semester for students currently employed as law enforcement officials studying full time or part time for degrees.

Recipients of LEEP accept an obligation to remain in or enter into full-time criminal justice employment. Institutions administer funds granted to them and select eligible recipients from their student body.

THE 1972 EDUCATION AMENDMENTS—BEOG

In addition to effecting changes in the established federal student financial aid programs, the 1972 Education Amendments provided for the creation of new programs which have a major impact on student financial aid. The most significant of these new programs is the . . .

Basic Educational Opportunity Grant Program. This is a program which guarantees each student accepted for full-time enrollment at an institution of higher education a basic grant of $1,400 minus his/her family financial contribution, or 50% of his/her need—taking into account the student's and parents' financial resources and the cost of attending the chosen school. While BEOGs are restricted to first-time students during 1973-74 because of limited funds, future guidelines will likely modify this restriction. The amount of the grant also depends upon the amount of funds actually available for the Program in a given year. The student must be a U.S. citizen, or be in the United States for other than a temporary purpose and intend to become a resident, and must be attending school on a full-time basis. Accepted applicants may receive the grant for 4 years unless the first degree requires 5 years or a remedial year is necessary.

Other significant sections of the amendments permit institutions to transfer 10% of their allotment under

student aid from program to program, to require students to file an affidavit that funds received from any federal student aid program will be used "solely for expenses related to attendance or continued attendance at such institution," to extend and combine Special Programs for Students from Disadvantaged Backgrounds, to provide fo. grants to states for state student-incentive grants, and to authorize a study of the financing of postsecondary education.

More specific information concerning the federal student financial aid programs may be obtained from the appropriate Regional U.S. Office of Education or USOE, Washington, D.C. (See Appendix for addresses.)

STATE PROGRAMS

Many states have had student financial assistance programs for a number of years. This assistance has been offered in a variety of forms for a variety of purposes, varying from rehabilitation to rewarding military veterans. More recently, a great many states have developed centralized, multipurpose student aid programs, and many others are proceeding in this direction. The kinds of aid usually offered in a well-developed state program are of the following nature:

Competitive Scholarship Programs. Scholarships are awarded in statewide competition on the basis of academic ability and financial need.

State Loan Programs. Loans are made directly to the student by a state agency or, more often, loans are made by commercial lenders and guaranteed by the state either through its own program or in conjunction with the Federally Insured Student Loan Program.

Tuition Equalization Programs. Need-based grants are made to students attending private colleges within the state in order to help equalize the cost of attending an institution with higher tuition fees.

Talent Search and Educational Opportunity Programs. These are programs designed to identify, encourage, and in some cases subsidize students within a state who are culturally and/or economically deprived. (See Appendix 18 for a listing of comprehensive state financial aid programs.)

OTHER PROGRAMS

There are many other kinds of student aid in addition to that from federal and state sources. These include:

Institutional Programs. Most colleges and other institutions of higher education offer student financial assistance in the form of scholarships, grants, loans, and part-time employment. These institutional resources continue to provide a substantial amount of help for students.

Community Programs . Almost every community has organizations, institutions, or agencies that provide aid to students in some form. They may be professional organizations (local nursing or medical organizations, tuberculosis association) or a service group (Lions, Rotary, Kiwanis). The local high school counselor should be aware of the sources available in his community.

Foundation and Corporate Programs. Many private foundations and large corporations offer financial assistance to students. A detailed listing of these and other sources may be found in several publications developed for this purpose. (See the bibliography in the Appendix.)

Professional Organizations

As the student financial aid field has grown, aid administrators have become increasingly concerned about the level of their professionalism. One result has been the establishment of professional organizations at state, regional, and national levels.

STATE ORGANIZATIONS

Organizations have appeared in almost every state, and they offer several benefits:

1. Close general cooperation within the state, including a forum for discussing and solving aid problems at the local level.

2. A vehicle allowing local aid administrators to react collectively to regional and national financial aid

BEST COPY AVAILABLE

issues and thus to have an effective voice in regional and national organizations.

3. Closer working relationships with the variety of people who influence the effectiveness of financial aid programs, such as high school counselors, college admissions officers, and state financial aid administrators.

4. Cooperative procedures which make for more efficient and equitable practices, such as common application forms, deadlines, etc.

5. Training opportunities for new aid administrators.

REGIONAL ORGANIZATIONS

Regional organizations currently exist in every part of the nation:

Eastern Association of Student Financial Aid Administrators (EASFAA)
Current President—John E. Madigan
University of Maine
Orono, Maine

Midwestern Association of Student Financial Aid Administrators (MASFAA)
Current President—Norman E. Beck
Ball State University
Muncie, Indiana

Rocky Mountain Association of Student Financial Aid Administrators (RMASFAA)
Current President—Wayne K. Tesmer
North Dakota State University
Fargo, North Dakota

Southern Association of Student Financial Aid Administrators (SASFAA)
Current President—E. Thomas Cleveland
Samford University
Birmingham, Alabama

Southwestern Association of Student Financial Aid Administrators (SWASFAA)
Current President—J. C. Seaman, Jr.
Louisiana Tech University
Ruston, Louisiana

Western Association of Student Financial Aid Administrators (WASFAA)
Current President—Robert P. Huff
Stanford University
Stanford, California

Regional associations provide several benefits:

1. A broader perspective and forum for the consideration of professional problems and issues.

2. A more potent voice in professional affairs.

3. Broader communication through newsletters and other publications.

4. Training opportunities.

THE NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

The National Association was created in response to a pressing need for a high-level forum on professional issues. The National Association consists of representatives from the regional associations and national service organizations. Its current president is Dallas Martin, University of Northern Colorado, Greeley, Colorado. NASFAA's executive director is Dick Tombaugh, George Washington University, Washington, D.C.

The National Association provides:

1. A national voice on professional issues.

2. The creation of policy positions on professional issues from state and regional inputs.

3. Direct and potent influence on student aid issues.

4. Liaison with Congress and the federal government.

5. The broadest communication and professional perspective (a national newsletter and journal are published).

OTHER STUDENT FINANCIAL AID ORGANIZATIONS

The American College Personnel Association (ACPA). This association maintains a Commission (V) on student financial aid which advises ACPA on issues affecting that area. The Commission also sponsors programs relating to financial aid at ACPA's annual meeting.

The National Council of Higher Education Loan Programs. This organization is composed of directors of state student loan agencies. At periodic meetings they discuss mutual problems and define positions on legislation and other matters in the guaranteed loan area.

BEST COPY AVAILABLE

The National Association of State Scholarship Programs. State scholarship directors make up this organization. Regular meetings are held to discuss and define mutual problems and their solutions.

The rapid growth and increasing effectiveness of these and other associations attest to the value. Every financial aid worker will find the associations helpful both in practical terms and in the less tangible terms of professional awareness.

Professional Publications

Professional publications also can be of great use. They are a source of basic information, providing reports of pending legislation, federal program changes, and other professional issues. They also provide the results of research studies, analyses of broad financial aid issues, reports on innovative ideas, and other current news.

The publications may be generally grouped as follows:

1. U.S. Office of Education publications

   a. A variety of brochures and other materials describing the federal aid programs are available. They are of a general nature and are especially useful to high school counselors, parents, and prospective students.

   b. Program manuals that detail the criteria and operational procedures of each program (SEOG, BEOG, Work-Study, NDSL, etc.) are available from the appropriate USOE offices. (See Appendix.) Every aid administrator dealing with these programs should have the current manuals in his office.

   c. Administrative memoranda that provide guidlines for the administration of the federal programs are issued as necessary by the USOE. Every aid administrator should read them carefully upon receipt and maintain them in an organized file for ready reference.

   d. Statistical and descriptive reports are issued from time to time, related to the individual federal aid programs. Other reports, related to financial aid and higher education finances, are also published by various USOE agencies.

2. *The Journal of Student Financial Aid*

   This is published by The National Association of Student Financial Aid Administrators. The editor is Robert Huff, Director of Financial Aid, Stanford University. This journal for student financial aid administrators and others interested in student financial aid deals exclusively with topics related to the student financial aid profession.

3. National, Regional, and State Association Newsletters

   Every regional association publishes a periodic newsletter for its members. These are informative and timely vehicles for keeping abreast of professional matters. In addition, some of the state associations have newsletters. The national association has just initiated a newsletter which will cover national issues.

   In addition to its newsletter, the Midwestern Association (MASFAA) has initiated a professional monograph series with the publication of monograph Number One, "The Relationship of Aid to Fee Increases and Enrollment Growth," by Walter North of Knox College.

4. Other publications dealing partially with financial aid

   a. *The Journal of College Student Personnel.* Published by the American College Personnel Association, 1607 New Hampshire Avenue, N.W., Washington, D.C. This journal for college student personnel workers occasionally publishes financial aid articles and research study reports.

   b. *College Student Personnel Abstracts.* Published quarterly by the College Student Personnel Institute, 165 East Tenth Street, Claremont, California. This publication, which abstracts and summarizes articles published in the student personnel area, includes a section on financial aid.

   c. *Higher Education and National Affairs.* Published by the American Council on Education, One Dupont Circle, Washington, D.C. This is an excellent, timely newsletter that contains a good deal of information concerning financial aid. It is one of the best publications for obtaining fast, accurate, and analytical information.

In addition to the above, several other professional publications contain financial aid articles from time to time. These include the *College Admissions Counselor's Journal, The Personnel and Guidance Journal, College and University, The National Association of Student Personnel Administrators (NASPA) Journal, The Chronicle of Higher Education,* and *The Journal of Higher Education.* ACT also publishes a periodic newsletter for financial aid administrators, as well as monographs and research reports related to the field. (See Bibliography for a current listing.)

BEST COPY AVAILABLE

Chapter 2

ADMINISTRATION AND MANAGEMENT OF THE STUDENT FINANCIAL AID OFFICE

The student financial aid administrator is the heart and brain of any successful financial assistance program. A financial aid administrator can be personally devoted to his students, but if the program is not well-planned and intelligently administered, the student suffers.

Administration and management are closely related, but the two are separated in the following sections for discussion purposes. Administration covers the organization of the office and its daily operations, while management refers to overall planning, evaluation, and control.

Administration of the Aid Office

Since student financial aid is a fairly recent phenomenon, administrative structures have been hasty and improvised. This has produced some growing pains, and has made it difficult to develop working administrative guidelines. However, some general principles seem to have emerged and proved effective.

INSTITUTIONAL ORGANIZATION

At one time, it was common for most financial aid to be under the control of the business officer, with other fragments controlled by academic departments or other divisions of the institution, including the admissions office.

Some aid administrators still do report to the business office, and a few may report directly to the president or the admissions officer. However, the aid office is now most frequently found in the student personnel division, with the aid administrator reporting to the dean of students or vice president for student affairs. This makes sense, since the main objective of the aid office is to assist students, and frequent student contact is crucial to both the aid office and the student.

Since the awarding of financial aid also requires fiscal responsibilities and procedures, ties with the business office must always be close, and the financial aid administrator must also cooperate with admissions and other campus officers. Increasing interaction with computer center personnel is giving rise to liaison staff within many financial aid offices.

COMMITTEE STRUCTURE

Most institutions have a general financial aid committee or advisory body composed of faculty, staff, and students. The aid administrator may be chairman or an ex-officio member. The committee's function is to set policy guidelines for the financial aid program and to deal with special problems. The financial aid administrator is responsible for carrying out the program according to the guidelines.

Some institutions have additional committees to deal with specific aid programs (work, scholarship, loan) or problems (graduate and professional students, freshmen, etc.), and some still have committees which actually designate awards. However, the trend is toward one general policy committee, which leaves operational details to the financial aid director.

CENTRALIZATION

Most institutions have placed their student aid programs in one office. Even when some aid is administered in another office (especially at the graduate level), information concerning such assistance is usually kept for each student in a single file in the financial aid office.

BEST COPY AVAILABLE

Centralization has many advantages. A student visits only one office and frequently files only one application. The office is administered by a professional with detailed knowledge, whose primary job is to assist students. Information and counseling are available in one office. Coordination of aid programs is the most efficient procedure for everyone.

STAFFING THE OFFICE

A vital key to the efficient operation of any office is its staff.

The office may be staffed with one person who works only part time or with 10 or more full-time professionals. In a one person office, there are no structural problems, since that person must do everything. He/she usually finds it difficult to keep up with the daily workload and, at the same time, to keep abreast of program changes and become familiar with new programs. Professional publications, meetings, and other technical sources may help, but frequently the greatest asset is an excellent secretary or part-time student worker.

Larger institutions, with a need and a budget for a sizable professional staff, must face the problem of staff structure.

A director is a necessity. As administrative chief, he/she is responsible for the total operation of the office. The director must see that all programs are coordinated and operate smoothly according to program goals and in the best interests of students.

In a larger institution (2,000-5,000), an associate director may also be desirable. While the director is concerned with broad administrative tasks, the associate director sees that operational machinery is functioning smoothly.

In institutions of over 5,000 students, assistant directors may be needed. How many, of course, depends upon many factors, including enrollment, number of applicants, size and diversity of aid programs, availability of administrative and graduate assistants, and many other factors. The use of assistant directors depends on both the prevailing philosophy and the work setting. Certain aid programs (e.g., grants, scholarships, loans, student employment), or special segments of the student population (married students, graduate and professional students, commuting students, males, females), may be assigned to each assistant director or each may be given functional duties (processing, counseling, need analysis, reporting, school relations, etc.).

In addition to these, paraprofessional and clerical personnel are also necessary. Administrative assistants, part-time graduate students, and other student workers have aided immeasurably the efforts of many aid offices. The number and use of these supporting personnel, of course, depend on each institution.

Counseling as a Function of the Student Financial Aid Office

The chief focal point of most financial aid programs is the student. Structurally, most aid offices are part of the student personnel division. Moreover, it is difficult to find an aid administrator who is not genuinely and deeply concerned about the individual students the office serves.

Consequently, student contact is a major element in the routine of most aid offices. This contact may vary in quality and length, but it is always present. There is little doubt that the administration of an aid program involves, by design or by default, a counseling or advising function.

Indeed, there seems to be some support for recognizing a student personnel function designated as financial aid counseling. Wrenn (1951) stated:

> Type of aid given to a student varies with the student's background of experience and present level of development. The application of this principle calls for a careful appraisal of a financial need that is one of a congeries of basic needs—social, emotional, health, vocation, and financial. It becomes a counseling problem rather than merely a matter of apportioning available money.

He has also noted:

> Financial counseling is not too different from counseling problems *as far as the student is concerned* because the student's own needs are interwoven.

Risty (1949) reinforced the case for a concept of financial counseling, stating:

> The concept of financial counseling developed through centralization of administration and adopting the personnel point of view.
>
> The concept is generally a recognition of individual differences in assisting a student in orienting himself to the

BEST COPY AVAILABLE

problem of financing his education, particularly in the direction of independence and high order of personal responsibility. More specifically this means advising a student concerning sources of financial aid and opportunities for self-help and guiding him in making his own intelligent decisions in planning and executing his financial program with due consideration of his capacities, interests, health, study habits, and attitudes.

Burns (1963) more recently described the use of financial counseling, with specific reference to the NDEA loan program, as a broader function than that of just making a loan. Gross (1962) indicated that financial counseling can be considered as counseling when a cooperative decision-making approach is used and the counselor is sensitive to the meaning of the presented problem, of financial aid information, and of money itself in the student's life.

If it is accepted that a counseling function does exist in the financial aid office, then it is the responsibility of the aid administrator to see that the nature of this function is clearly defined and that the administrator and the staff develop the necessary skills and supporting facilities to:

1. Insure that those staff members who have responsibility for student contact are sensitive to and skilled in interpersonal relations.
2. Promote the continuing development of counseling and other relevant technical skills on the part of the staff by participation in appropriate formal academic coursework and other kinds of educational techniques (workshops, seminars, close review of professional literature, and in-service training).
3. Maintain a close working relationship with various campus referral sources so that when a student's problem is beyond the scope and capabilities of the financial aid office, the student can readily be referred to a source of more specialized assistance.
4. Develop and maintain an up-to-date information file relating to the problem areas most commonly dealt with in the financial aid office.
5. Maintain strict confidentiality of all student information, including the provision of facilities to insure privacy during student interviews.
6. Develop a climate in which the uniqueness, dignity, and personal worth of each student become the pervasive and chief concern of the financial aid office staff.

The Role of Technology

One of the most promising developments in the financial aid field has been the appearance of data processing and computer techniques. They offer a virtually unlimited capability for easing the burdens on an aid office and make it possible for the office to perform in a much more professional manner.

Many offices have, for some time, used data processing for basic record keeping. However, many are finding more sophisticated uses for data processing techniques. For example, at the University of Colorado (Brown, Janes, & Overman, 1967) and at Illinois State University (Jepsen, Matejka, & Hulet, 1972), data processing not only maintains the financial aid records, but it also makes the actual awards in accordance with criteria prescribed by the staff. In fact, a recent national study (Jepsen & Buchanan, 1973) revealed that some 22 institutions are currently using the computer for award decision making in aid offices, and that 189 institutions plan to implement a "computer packaging" system within the next 3 years.

Other sophisticated applications include a computerized "memory assist" of job qualifications and preferences for part-time employment (Menke & Yehle, 1963) and a central, computerized file for the purposes of both admissions and the awarding of financial aid (Jacoby, 1967).

The advent of data processing has perplexed many because it is new and they do not entirely understand its nature and use. A computer can do only what a programmer tells it to do. However, it can carry out programmed instructions consistently and with tremendous speed. A financial aid administrator, working with a skilled programmer, can save much time, money, and effort with a data processing system to carry out the time-consuming, routine duties. Record keeping, report compilation, assignment of awards, and routine correspondence are just a sample of the many operations that can be handled by computer.

More and more institutions are making sophisticated use of data processing techniques. Far from depersonalizing the financial aid process, the techniques free the aid administrator from time-consuming drudgery and leave more time to deal with individual students and those duties which require personal attention.

BEST COPY AVAILABLE

Management of the Aid Office

The management of a financial aid office is, in many ways, more difficult than the administration. Management requires special skills, a broader perspective and unusual professional commitment. In addition, the press of daily details tends to obscure the broad view which is necessary. But without careful management, financial aid programs tend to develop without direction and contrary to goals.

The major management functions are described below.

ESTABLISHING GOALS

When an aid office has been established and staffed, the first order of business must be to determine its goals. This may seem an obvious, foregone conclusion: the goal of an aid administrator is to get money to students who need it. But there are many other goals attached to an aid program, and they must be carefully examined and understood. For instance, federal programs have, among others, goals of assisting disadvantaged students and students from middle income families. State programs may have the goals of assisting financially deprived students or students who attend more expensive private colleges. An institution may have its own goals of recruiting high ability students, disadvantaged students, or students from a particular religious denomination, or of building an outstanding football team.

In the final analysis, the aid administrator must evaluate and effectively intermesh a variety of goals. And while he/she may have a committee designed to assist in the establishment of goals and policies, it is ultimately the administrator's responsibility.

ADVANCE PLANNING

Once goals have been established and policies defined, the financial aid administrator must plan the work within that framework. To fulfill this important responsibility, he/she must perform several critical tasks:

1. Ascertain fund requirements and staffing needs.

2. Construct appropriate student expense budgets. An important and often neglected step in the planning process is the construction of reasonable expense budgets for anticipated applicant categories. Several recent publications reporting research at the national level are now available and should be of assistance to aid administrators. These are:

   Allan, J. B., & Suchar, E. W. *Student expenses at postsecondary institutions.* New York: College Entrance Examination Board, 1973.

   Haven, E. W., & Horch, D. H. *How college students finance their education.* New York: College Entrance Examination Board, 1973.

   Jepsen, K. J., Maxey, J. E., & Henry, J. B. Student expenditure patterns. *Journal of Student Financial Aid*, 1973, 3(3), November, in press.

   McMahon, W. W., & Wagner, A. P. *A study of the college investment decision.* ACT Research Report No. 59. Iowa City, Iowa: The American College Testing Program, 1973.

   In addition, a research committee of the Midwest Association of Student Financial Aid Administrators (MASFAA) is currently preparing a bibliography of references which includes government sources as well as other research on student expenses.

3. Plan announcements. Publish catalogs, announce the availability of general and special programs, and the recruitment of students in whom the institution has a special interest.

4. Plan the award process. This includes:
   a. Applicant Review. Ascertain financial need and identify other qualifications related to the criteria of the aid program. This also includes confirming the eligibility of the student for admission to the institution.

   b. Making of Award. Award aid to the student; includes selecting the kind of aid, packaging, and notifying.

   c. Award Review. Review the awards made, make needed adjustments in view of changed circumstances (either on the student's part or the institution's), and the subsequent notifications of any such adjustments.

5. Ascertain reporting and evaluation needs.

PROGRAM CONTROL

The financial aid process must be controlled so that it flows smoothly from application to receipt of funds by the student. This includes scheduling, maintaining records and files, exercising adequate fiscal controls, and directing overall organization. Program control is, in large part, the implementation of planning. Major

BEST COPY AVAILABLE

points to consider in program control are:

1. Establishment of an Operational Calendar. The aid administrator should lay out a calendar of deadlines and important dates for the program well in advance of the program year. This calendar should reflect such things as due dates for federal fund applications and reports, due dates for other administrative reports, award application deadlines, award-making schedule, aid committee meetings, notification of award dates, and other important operational dates. Making an operational calendar of this nature requires a good deal of thought and effort, but it will be of great value in implementing the aid program and maintaining planned, conscious control over the aid process.

2. Establishment of a Flow Procedure for Processing Aid Applicants. Once an operational calendar is established, indicating key deadline and processing dates, it is important to establish administrative procedures that will allow aid applicants to be processed in an orderly and efficient manner. To do this, the aid administrator should design a flow sequence for the award process. Generally, a flow sequence should reflect answers to the following questions:

   a. How are applications and need analysis reports received? Is their receipt documented? Who makes application folders? Are they dated? Is there one or are there many in-take clerks who receive the forms? Who is responsible for seeing that all files are complete? How is follow-up for incomplete information handled?

   b. Where do applications and need analysis reports go after receipt? To a pending file? To various individuals? Is their location documented?

   c. Who makes the actual awards? How are they recorded? In the folder? In a master file? How are funds controlled so that overexpenditures do not occur? How is packaging done? How is an award officially authorized?

   d. How is award notification made? How are award denials made? What kind of forms and/or letters are necessary? Who does all of this?

   e. How is the student paid? How is the business office notified of the award? Where and how does the student pick up the award check?

Responses to these and many other questions should be defined and incorporated into a flow sequence for the award process.

PROGRAM REPORTING AND EVALUATION

Numerous program reports to federal, state, and other agencies, and to administrative officials, will ordinarily be made by an aid administrator. The careful and accurate completion of these reports is an important function and may affect the quantity and quality of the aid program. In addition, it is extremely important for an aid administrator to know whether the program is meeting its objectives. Without this knowledge, he/she is operating in the dark and may be working diligently while accomplishing little.

To deal with these reports and evaluations (and also with the planning function), the aid administrator must have data and information about the program. Answers must be found to such questions as: How many students received what kind of aid? How many applied? In what class? In what income categories? What were their ability and achievement levels? What kind of packages were awarded?

Without answers to these and other questions, an aid administrator will not be able to report on and evaluate the program effectively, nor will he/she be able to plan effectively for the future. These are necessary and vital functions for the program and they must be performed effectively.

ACT MANAGEMENT SERVICES

ACT has purposefully planned its services to assist the aid administrator in coping with his management functions. The Student Financial Aid Report (SFAR), Comprehensive Financial Aid Report (CFAR), list roster, and master file card are part of the ACT Student Need Analysis Service (see Appendix) and contribute to the management functions of the aid administrator.

The Profile of Financial Aid Applicants (PFAA) is a unique service developed specifically to assist the aid administrator in management functions. The PFAA consists of 18 tables that describe financial aid applicants in terms of a variety of demographic, financial, and educational criteria. It is prepared from the Family Financial Statements (FFS), which serve as the input documents to the ACT Student Need Analysis Service.

For a detailed discussion of the management functions in the student financial aid office, as well as the ACT services related to them, see *Your Financial Aid Applicants*, published by the Research and Development Division of The American College Testing Program.

BEST COPY AVAILABLE

Research and the Student Financial Aid Office

A growing emphasis is being placed on research by financial aid administrators. It is a topic for discussion at almost any gathering of financial aid personnel, and the various professional financial aid organizations often maintain research committees.

The Importance of Research. Research in financial aid, as in other professional fields, is important for a variety of reasons.

- *Establishing Goals and Predicting Needs.* Financial aid funds are always limited. Consequently, priorities must be assigned to a wide variety of desirable goals. Research data can provide a firm base for assessing priorities. Although philosophical decisions must be made with regard to goals, data can assist in the decision-making process of describing existing conditions and the possible ramifications of various alternatives. Research is also helpful in suggesting the direction of future policies as well as changes in existing policies.

- *Pretesting Proposed Programs or Courses of Action.* Many new aid programs have been developed and implemented during the past 14 years. They have entailed the spending of billions of dollars and the manipulation of the personal destinies of thousands of students. Incredibly, almost none of these programs were evaluated prior to their inception. By pretesting programs and evaluating their cost as related to their utility, millions of dollars may be saved and students may be assisted more efficiently.

- *Assessing Results in Relation to Goals.* Research can help confirm whether program operations are consistent with established goals. If the goal of a given financial aid program is to recruit academically elite students, or disadvantaged students, for example, research can reveal the actual result. Upon close inspection, many aid programs may be found to be awarding aid in a manner inconsistent with established goals.

- *Resolving Operational Questions.* Questions concerning operational procedures and principles constantly arise in the day-to-day conduct of financial aid business. Without the firm knowledge acquired by researching these problems, an administrator can only guess at the impact a specific procedure is having on the students and their parents, the institution, or the society. Examples abound. Can a student work and perform well academically? How much loan debt is too much? Are estimated student budget figures accurate? Operational research can resolve many such questions.

- *Providing Operational Information.* A variety of information concerning the operational details of most aid programs is required for evaluation, budgeting, planning, and reporting purposes. Reporting procedures are extremely important for federal aid programs, but they are also important to any other program which requires reports to donors, state agencies, or administrative officials. Appropriate planning can proceed only when it is based on an accurate knowledge of existing aid patterns. Evaluation also relies on a firm base of data.

- *Formulating a Body of Professional Knowledge.* A body of knowledge must underlie the guiding principles and practices of any profession. Since professionalism in the financial aid field has been a recent development, the accumulation of such a body has been lacking. Research has provided some knowledge, but it must provide even more if student financial aid is to be administered professionally.

Problems. Research in financial aid has been affected by several problems. One of them has been the relative lack of interest. While some of this disinterest is due to inadequate time, much of it is the result of inadequate awareness of the importance of research. In addition, most financial aid administrators were drawn from academic disciplines that did not provide for the use of research skills. But much of this has changed in recent years. Administrators are becoming sensitive to the implications of research, and interest is increasing. Moreover, many of them have developed new research skills.

Another problem affecting research is difficulty in defining problems to be investigated. Relatively little has been done in this area, and the field is wide open.

Research requires staff time and money, commodities which are in short supply at most institutions. However, the possible savings in time and money and the increased efficiency that frequently result from the proper use of research, will more than justify the initial expenditure.

As research increases, there is some danger that with the multiplicity of institutions and organizations undertaking such activity, their research may needlessly overlap. The natural division of duties among the various groups may partially resolve the problem, since institutions, for example, have different research needs than state agencies, the federal government, or centralized need analysis agencies. However, careful

BEST COPY AVAILABLE

coordination remains necessary to insure maximum benefits.

While much research will come from other sources, the individual financial aid administrator must develop a capacity to answer questions and provide data related to his own operation. ACT has recognized the importance of this need and its financial aid services and Profile of Financial Aid Applicants have been developed to assist aid administrators in satisfying the need.

(See Appendix for a selected bibliography of financial aid research.)

Operational Guidelines

The preceding discussion has attempted to provide an overview of administration and management in the financial aid office. In order to provide some specific guidelines for the operation of the aid office, the following is offered:

1. Financial aid is intended primarily to assist students.
2. Each student is unique and he or she deserves to be treated accordingly.
3. Each student must be seen as a whole. His or her financial problems cannot be divorced from his or her existence, and consequently, cannot be dealt with in isolation.
4. A financial aid administrator must be objective and consistent toward the students.
5. One of the most valuable services an aid administrator performs is to help the student and his or her family understand the relationship between financial planning and educational and personal goals.
6. Each student and his or her family should contribute to his or her education according to their ability.
7. Financial need assessment is desirable and, in most programs, necessary in order to insure the most equitable distribution of available funds.
8. A standardized need analysis serves only as a guide for the aid administrator's judgment.
9. Packaging (filling a student's total need by awarding some combination of gift, work, or loan aid) financial aid permits more efficient use of funds and more flexibility for the student.
10. The financial aid function is a complex of such disciplines as business administration, accounting, counseling, sociology, economics, and educational administration.
11. The financial aid administrator is obligated to use efficient management techniques if he/she is to serve each student well and meet all the goals of the program.
12. The financial aid administrator should contribute, insofar as he or she is able, to the overall professionalism of the field.

BEST COPY AVAILABLE

THE NEED ANALYSIS CONCEPT

Financial aid awards have always been based, to some degree, on the need of the applicant. Historically, however, financial need frequently was not a criterion or it was considered secondary. But in 1954, a group of private eastern colleges, concerned about the use of scholarships as "bait" in competing for students, agreed to award aid on the basis of financial need as well as ability. The family's expected contribution was assessed in a standardized, consistent manner, and the family was expected to contribute this amount regardless of the institution attended. The colleges agreed not to make awards exceeding the student's "need," and this agreement led to the development of centralized need analysis.

The appearance of Title II of NDEA further strengthened the importance of need analysis since an NDEA loan required that an applicant demonstrate financial need. Then, in the mid 1960s, the College Work-Study Program and the Educational Opportunity Grant Program appeared. These programs were also based on stringent need requirements and required careful documentation for each award.

In 1968, and again in 1972, amendments to existing federal student financial aid legislation strengthened the role of student financial aid in the financing of post-secondary education and did so primarily through need-based student aid programs. These developments make the equitable distribution of funds imperative. Consequently, the theory and technique of need analysis should be thoroughly understood by every practicing financial aid administrator.

A Definition and Review of Need Analysis

Need analysis is a technique which may be used to arrive at an estimate of a student applicant's need for financial assistance to help meet his or her educational expenses.

Need analysis consists of two major components: (1) arriving at an estimate of the applicant's and/or the family's ability to contribute to educational expenses, and (2) arriving at an accurate estimate of the educational expenses themselves. An assessment of the applicant's and/or the family's ability to contribute to educational expenses ordinarily involves arriving at a reasonable contribution derived from current income, assets, and the student's own financial resources, since these represent the sources of financial strength for a given family. The need analysis procedure is completed when the family's estimated contribution from these three sources is subtracted from the estimated educational costs.

Historically, there have been a number of need analysis techniques. The oldest technique has been for an aid administrator to collect a few items of financial information from applicants and their families, to inspect this information briefly, and to make a subjective judgment regarding need. This approach, of course, was not systematic and resulted in arbitrary and inconsistent treatment of students. Another technique, the Income Tax Method, was developed by Crawford (1962) when he noted that, with appropriate high and low income adjustments, the federal income tax paid by the family was similar to the contributions expected by the College Scholarship Service (CSS) at that time. Unfortunately, the necessary adjustments were not made and the federal income tax procedures and the contribution expectations for centralized need analysis systems have changed considerably. A third technique, the Alternate Income Method, consisted of a table that showed the contribution that could be provided by different-sized families at different income levels. Both the Income Tax and the Alternate Income Methods used a simplistic percentage formula for the calculation of a contribution from assets (U.S. Office of Education, 1968).

These techniques are *methods* of assessing the financial need of students. They require that the actual analysis be performed by the aid administrator. They do not consider unusual circumstances that affect the

BEST COPY AVAILABLE

individual family unit or the economy in a systematic way, nor do they have a sound base of underlying economic theory and data. These disadvantages, and others, are not present in the two centralized need analysis *systems* provided by The American College Testing Program and the College Scholarship Service.

In addition to the three need analysis methods and the two centralized need analysis systems, some state scholarship programs and individual campuses have developed their own techniques for assessing financial need. All of these techniques yield divergent results. Because of the problems in the inconsistent treatment of students inherent in the use of a multiplicity of need analysis techniques, the two centralized need analysis agencies have worked closely with the U.S. Office of Education to achieve comparable results in the systems to be used for allocating funds from federal student financial aid programs.

The Essential Elements of Need Analysis

Given the task of arriving at an estimate of a given family's ability to contribute to a son's or daughter's postsecondary education, it appears the following are the most essential elements of a need analysis system:

1. **Reliable data collection.** Data to be used in the need analysis must be accurately and reliably collected. Without accurate and reliable data, the need analysis result will be invalid.

2. **A valid underlying data base and rationale for analyzing the information collected.** The information that has been collected must be analyzed to determine the amount the family can contribute for educational expenses. Simply stated, this process consists of determining the income required to maintain the family at a given standard of living and then, from any remaining income and from the assets of the family, determining the amount of money the family can be expected to provide for the educational expenses of the applicant. To do this equitably, a formalized need analysis model, with objective criteria and supportive data, has to be developed and applied to all applicants in a standardized manner.

3. **A method for dealing with unusual circumstances.** In any standardized treatment, there will arise a variety of atypical situations to which the need analysis model should be sensitive. Special procedures must be defined and incorporated into the need analysis model so that appropriate adjustments can be made.

4. **Effective timing of the analysis.** The need analysis must be performed in a timely fashion. If the results are not available to the aid administrator when they are needed, the analysis is useless.

While these elements are accounted for in the two centralized need analysis systems, one or more of them are missing from other need analysis techniques.

Analyzing the Family's Financial Situation

The first step in the analysis of a family's financial situation is to calculate an estimate of the family's ability to contribute to the postsecondary education of a son or daughter from the family's current income. In order to do this, the income required to maintain the family at a given standard of living must be determined; and from any remaining income, the amount of money the family can be expected to provide for the postsecondary expenses of the student must be determined.

It is fundamental to this process that objective criteria be formalized and applied to all applicants in a standardized manner. Therefore, allowances must be made against the family's income for those things (federal income taxes, Social Security taxes) that are not discretionary and *must* be paid; and there must be a standardized maintenance allowance for each individual family. The family maintenance allowance is ordinarily derived from data published by the Bureau of Labor Statistics (BLS) in the U.S. Department of Labor. While BLS developed and periodically updates several maintenance budgets, it is important from the standpoint of consistency of treatment to use only one budget base in making family maintenance allowances in the need analysis process. By adjusting the BLS schedules and combining this information with data from a variety of other sources, it is possible to develop standards or norms for evaluating the income of the families of financial aid applicants. After appropriate allowances are made, how much of the remaining income can be used for education is a function of economic theory, financial aid practice, and actual data, and is reflected in the contribution curves of expectation tables of the need analysis system.

BEST COPY AVAILABLE

The second step in the analysis of a family's financial situation regards assets. In this process, allowances are made against assets in recognition of the many purposes assets serve. These allowances include asset-related debts and a retirement allowance. Remaining assets are converted to an income "increment" at progressive rates in order to provide additional protection of the assets for emergencies and other uses for which the family may have accumulated them.

Since assets contribute to the financial strength of the family, it is important to include them when assessing the family's ability to pay for postsecondary education. A strong net asset position indicates greater capacity to finance postsecondary expenses out of current income, and greater access to financial resources in general. Rather than expecting a family to liquidate its assets, the assessment of assets indicates the family's ability to contribute more (or less) from its income as a result of its total financial strength.

In addition to the standard family situations that are analyzed, there are various atypical situations to which the need analysis model should be sensitive. These include the additional expenses incurred where there are two working parents, students who are not supported by their parents, and families with more than one child in postsecondary education. Other examples would include unusual circumstances that might occur to the family in a given year that would affect their ability to pay for postsecondary education, such as extraordinary medical expenses, severe damage to the house or business, etc. These kinds of situations, and others like them, represent unusual circumstances that are not reflected in the BLS budgets, but they do affect the ability of the family to make an educational contribution. Therefore, to determine financial need accurately in these situations, special procedures must be defined and incorporated into the need analysis model so that appropriate adjustments can be made.

The third step in calculating an estimate of the family's ability to contribute to education involves the student's own resources. This procedure takes into account the student's expected savings from his summer earnings, other savings he may have accumulated, and any other financial resources he may have (from Social Security benefits, VA benefits, or other similar sources) exclusive of student financial aid awards.

This has been necessarily a brief overview of the issues involved in analyzing the family's financial situation. For a more comprehensive discussion of these issues, the reader is referred to a publication by Orwig (1971b) from which much of the material in this section was drawn.

Advantages of a Centralized Need Analysis System

A centralized need analysis system has several important advantages.

- The financial strength of students and/or their families will be analyzed in the same way and compared on the same standard or norm. This means students will be treated consistently and in an equitable manner.
- The need analysis system is predicated on a sound theoretical base as well as on actual data, and, thus, assessment of the student's need is much more valid than if made without such norms.
- Changes in the economy are reflected by annual revisions in the system.
- The financial aid administrator is spared the time that would otherwise be spent assessing the student's need by some clerical means. This frees him or her to attend to those special tasks which require professional attention.
- Award decisions are documented.
- Important and meaningful data reporting services are provided to institutions as a by-product of the system.
- Other supportive services, consultation, and training are available from a centralized need analysis agency.

The ACT Need Analysis System

The ACT Need Analysis System was developed with simplicity, reliability, consistency, validity, and efficiency as key criteria. Simplicity is important because parents and students should not be burdened with unnecessarily complex and laborious procedures when filing a need analysis form. The aid administrator should also not be similarly burdened. In addition, the system should be understandable and explainable to applicants and their parents. As the forms and procedures become simpler, the margin for error or misunderstanding becomes less. Reliability is basic in that information used in the analysis must be accurate or

BEST COPY AVAILABLE

anything done in the analysis will be invalid. Consistency is critical if applicants are to be treated equitably; families with similar circumstances must be treated in a similar manner. Validity is also crucial in that the system must yield a reasonable educational contribution from a given family's unique set of circumstances. Efficiency is important in that if the processing is so laborious and time consuming that the aid administrator does not have the need analysis reports when he/she needs them, they are useless. Finally, the system must include a means of drawing attention to unusual circumstances of individual students and their families.

The ACT system, therefore, is designed as a simple but sensitive need analysis system which can allow the individual aid administrator to exercise his/her professional judgment where it is most needed.

Since a need analysis can be no better than the information received from applicants, ACT constructed the Family Financial Statement (FFS) to be clear, concise, and simple. (See Appendix 2.) Frequent reference is made to items from the federal income tax return, thus allowing all families to furnish similar data. Items such as "income" and "unusual expenses" are not subject to individual interpretation, and more reliable data are obtained. The Student Financial Aid Report (SFAR) (shown in Appendix 4) provides the student and his or her parents an opportunity to check once more the information they forwarded on the FFS. Finally, the internal checks and extensive editing procedures used in the actual processing of the need analysis and subsequent follow-up procedures provide a high level of data quality control.

The ACT Need Analysis System itself is designed to analyze accurately and consistently the financial data given by the student and/or the parents. It is substantiated with sound economic rationale and the latest economic data available. The rationale and the mechanics of the system are discussed in the following two chapters.

Unusual family financial situations are considered in the ACT Need Analysis System in a variety of ways. They are accounted for in the use of federal income tax deductions as an allowance against the family's income. Federal income tax deductions include allowances for the kinds of unusual problems that need to be considered in a need analysis. More importantly, this technique accounts for them in a consistent way. They are measured against specific federal criteria, are relatively free from inconsistent judgments, and have been accepted and understood by the American public. Therefore, they can be explained by the financial aid administrator. In addition to the deduction allowance, there are various other techniques for the consideration of unusual family situations. There is a housekeeping allowance for expenses incurred by families who do not have the advantage of a nonemployed parent. There is a procedure for the treatment of two or more siblings in postsecondary education. And there are separate need analysis models for the calculation of the financial need of students who are financially self-supporting and for dependent married students.

Finally, the input document, the Family Financial Statement, is provided in a mark-sense format to make use of the latest technological developments so that more efficient and speedy processing can be provided. It was designed to collect all information required for the analysis on one clear and concise page. Similarly, the output document, the Comprehensive Financial Aid Report, contains all the information from the FFS and the complete need analysis, all on one document. If discrepancies or inconsistencies appear in the data reported by the family or if items of importance should be brought to the aid administrator's attention, comments are printed on the CFAR which point out and explain them. The following three chapters are devoted to a discussion of the details of the ACT Need Analysis System and its use.

BEST COPY AVAILABLE

Chapter 4

THE ACT NEED ANALYSIS SYSTEM: RATIONALE AND ASSUMPTIONS

This chapter outlines the ACT Need Analysis System and explains the rationale upon which it is based. The ACT Dependent Student Analysis will be used as a model. ACT also has models for the self-supporting student (single and married) and the dependent married student. These variations in the system are discussed in Chapter 5, since they involve essentially procedural elements that grow out of the basic dependent model. The reader is referred to the *1973 Revisions in the ACT Student Need Analysis Service*, November 1973, for a more detailed discussion of the most recent changes in the ACT system.

While recognizing the importance of aid to every applicant, a need analysis system must allow equitable handling of standard cases in the minimum amount of time in order to free the aid administrator to devote additional time to extraordinary cases and problems. The ACT system was designed to provide for both necessities; it provides a uniform system and it gives an internal indication of reliability (via the 99 possible CFAR comments) which alerts the aid administrator to those cases that may require special attention. These points are critical both in an office where awards are made in a manual process and in an operation where "computer packaging" is employed for the awarding process (Jepsen, Matejka, & Hulet, 1972; Jepsen & Buchanan, 1973).

The system has several important features:

1. **SIMPLICITY:** The forms used for data collection and reporting of results are as simple as possible without jeopardizing accuracy. Only one form is needed for any analysis, regardless of complexity.

2. **ECONOMY:** The cost of the entire operation, including the processing costs paid by the student and the time spent by the financial aid administrator interpreting the results, is held to an absolute minimum because of system efficiency.

3. **RELIABILITY:** The system and the instrument used stress accuracy. Results are "repeatable" and based upon adequate information that is verified by applicants who use the system.

4. **VALIDITY:** The results yielded by the system accurately reflect a family's ability to pay for education and monitor the validity of each individual analysis. (Thus, each Comprehensive Financial Aid Report contains a series of printed comments that indicate any unusual circumstances about a particular analysis.)

The Determination of Financial Need

A student's relative financial need is the difference between his or her family's ability to pay for postsecondary education and the costs of attending a particular institution. To determine relative need, three broad categories of a family's resources must be examined.

A. Parents' income (the Available Income concept)

B. Parents' assets (the Available Income Increment concept)

C. Student resources, including summer earnings, veteran's benefits, Social Security, and other similar sources.

A. THE TREATMENT OF PARENTS' INCOME (THE AVAILABLE INCOME CONCEPT)

Total Income. To determine the contribution that can reasonably be expected from the income of parents toward the cost of postsecondary education for their

31-506 O - 74 - 14

BEST COPY AVAILABLE

children, the ACT Student Need Analysis System begins by deducting basic family maintenance expenses from the family's Total Income. Total Income is Adjusted Gross Income (taxable income) plus nontaxable income, or all income except that used to offset the expenses of maintaining a business or farm. These exceptions are the same business and farm expenses that are allowed on the Federal Income Tax Return.

Family expenses, depending upon whether they are nondiscretionary or discretionary, are handled in different ways. Nondiscretionary expenses include federal, state, and local taxes, real estate taxes, and Social Security taxes. These expenses are not controlled by the individual family unit, but instead are imposed upon them and must be met from current income.

ACT Allowable Deductions. A basic principle of the ACT Student Need Analysis System is to provide, whenever possible, an allowance for nondiscretionary expenses *actually incurred* by the individual family unit. This individualized procedure sensitizes the need analysis system to the unique financial circumstances that are beyond the control of the family. The ACT system allows the same items (except contributions and interest) that are allowed as personal deductions under the Federal Income Tax law. Contributions are disallowed because they can normally be considered discretionary expenditures. Typically, contributions are made voluntarily, and could be reallocated if other demands, such as the child's postsecondary education, are made on income. Interest payments are disallowed because their inclusion would favor a family that owns its home and can deduct the interest on the mortgage, as contrasted with the family that rents its dwelling and cannot deduct interest. ACT also uses an Allowable Deductions formula (9% of AGI, with a minimum of $780 and a maximum of $1,200),[1] and will apply it if a family does not itemize its deductions on the Federal Income Tax Return, or if the formula results in a figure greater than the total itemized deductions.

The Family Size Allowance. Food, clothing, housing, furnishings, the type and number of cars, etc., although necessary for the maintenance of the family, are subject to some relatively short-term control by the family unit, and thus are termed discretionary expenses. In the ACT system these expenses are not individualized, but rather are provided for through a standardized allowance, called the Family Size Allowance (FSA).

The FSA represents the cost of basic necessities for each family member living at home. Its use, therefore, exempts from taxation (see Adjusted Available Income taxation) the dollar amount necessary to provide for the basic expense of maintaining the family unit. The applicant is included only for the number of months maintained at home.

Following is ACT's Family Size Allowance Schedule for the 1973-74 processing year.

Family Member Months	Family Size Allowance
12	$2,520
13-36	$2,520 + $130 for each month over 12
37-48	$5,640 + $110 for each month over 36
49-60	$6,960 + $90 for each month over 48
61-72	$8,040 + $70 for each month over 60
73 and above	$8,880 + $60 for each month over 72

The 1973-74 FSA Schedule is based upon the updated (using the estimated December 1973, Consumer Price Index) BLS Low Standard Budget, adjusted for family size and age distribution. Unlike previous FSA Schedules stated in terms of the number of family members, the new Schedule relates the FSA to the total number of months of maintenance required by all family members living in the home. Thus, the transition is made from "family members" to "family member months" (one family member = 12 months of support).

For example, suppose a six-person family reports two children in postsecondary education. The four "nonpostsecondary" family members require 48 (4 x 12) total months of support. If each of the postsecondary students will live at home with parents for 4 months, the total number of family member months is 56. Using the 1973-74 FSA Schedule (also see Table 1 in Appendix 9) the FSA for this family is $7,680. This example illustrates clearly the absence of arbitrary assumptions concerning how long the applicant and siblings in postsecondary education will live at home with parents.

The FSA for each family in 1973-74 will be calculated using two data sources. First, the Family Financial Statement has been modified to collect the number of family member months excluding the applicant. Second, the

[1] IRS Standard Deduction is 15% of AGI with a minimum of $1,300 and a maximum of $2,000. IRS estimates that contributions and interest (disallowed in the ACT system) constitute 40% of deductions. Therefore, ACT Allowable Deductions are 60% x 15% or 9% of AGI with a minimum of $780 and a maximum of $1,200.

BEST COPY AVAILABLE

number of months of applicant maintenance in the institutional budget will be collected on a revised Budget Questionnaire. (See Appendix 8.) These two data elements will pinpoint the exact number of family member months for which maintenance is required.

The Housekeeping Allowance. ACT will use the following Housekeeping Allowance for the 1973-74 processing year:

- Two working parents—50% of the lesser income or $1,500, whichever is less.
- One parent families—50% of earned income or $1,500, whichever is less.

This allowance is meant to adjust income for the additional employment expenses incurred by families that do not have the advantage of a nonemployed parent. With the parent(s) working, the family will have an atypical pattern of expenses, such as additional working clothes, transportation, perhaps two lunches, and babysitting. The ceiling of $1,500 guarantees that such families will receive an allowance of up to approximately $30 per week to offset these expenses.

Available Income. Thus, from Total Income are subtracted the ACT Allowable Deductions, the Federal Income Tax paid, Social Security Tax paid, the appropriate Family Size Allowance, and a Housekeeping Allowance (if applicable). The remainder is referred to as "Available Income," and is available to the family for a variety of discretionary purposes, one of which is to provide for the postsecondary education of all the children.

ACT uses the Available Income concept because it offers several significant advantages:

1. It is simple to use and easily understood because of its close relationship with the Federal Income Tax system.
2. It provides for differentiation between families of different sizes. (This differentiation is determined by the unique Family Size Allowance for each family.)
3. It uses the majority of the deductions that are allowed in the Federal Income Tax system. This provides a standard that can be documented and adapted to apply to all cases.

B. THE TREATMENT OF PARENTS' ASSETS (THE AVAILABLE INCOME INCREMENT CONCEPT)

The ACT Need Analysis System measures the family's ability to contribute toward the postsecondary education of its children. This involves a contribution from the parents' resources as well as the student's own resources. In order to measure the parents' contribution, ACT must take into account the parents' total financial strength, that is, both income and assets.

The two are inextricably tied together in the family financial situation. In the ACT system, assets are treated as an annuity yielding an income flow called the Available Income Increment. This procedure is consistent with the procedure suggested by Weisbrod and Hansen (1968) and provides a direct relationship between parents' income and assets in the determination of expected contribution. The income flow procedure implicitly allows for possible family emergencies by taxing only that portion of the assets (the Available Income Increment) that converts into additional Available Income. Thus, that portion of the assets that is not taxed can be used by the family for emergencies or retirement.

The specific asset procedure used in the ACT system is as follows: Net Assets (total assets minus related debts) are reduced by the Retirement Allowance to which the family is entitled. The remaining assets, called Available Assets, are converted to an income flow, called the Available Income Increment. The Available Income Increment is then added to the Available Income and the result is called the *Adjusted* Available Income. It is the Adjusted Available Income (AAI) which provides the Total Parents' Contribution through the application of the AAI Taxation Rates.

The Retirement Allowance. The Retirement Allowance serves a dual purpose. It preserves family assets for use during retirement and it provides protection for the assets a frugal family may have accrued.

The ACT Retirement Allowance is based upon the price-adjusted BLS Moderate Budget for Retired Couples (Bureau of Labor Statistics, 1966). It thus allows a reasonable retirement standard to be applied to all families.

In general terms, the Retirement Allowance provided to families will equal the cost of purchasing an annuity due at age 65 that would produce income equal to the moderate retirement budget after considering the savings from Available Income that the family is likely to accumulate before retirement.

BEST COPY AVAILABLE

The actual formula used to compute the Retirement Allowance is provided in Appendix 11, and although the exact Retirement Allowance will be calculated by the computer for each individual family, Table 3 in the Appendix contains approximate Retirement Allowances for individuals at different ages. As can be observed, the Retirement Allowance varies by Available Income and age, with the allowance directly related to age and inversely related to income. As age increases, the years to retirement decrease, the opportunity to accumulate assets is more limited and, accordingly, the Retirement Allowance is greater. On the other hand, as Available Income increases, there is more opportunity to accumulate assets and the Retirement Allowance therefore decreases. It should be noted further that because the expected savings is a function of Available Income, the Retirement Allowance will vary by family size also. Other things being equal, larger families with greater demands upon their income (reflected in the Family Size Allowance) will have less Available Income, producing less expected savings, and as a consequence, larger Retirement Allowances.

Changes in the level of prices and changes in the average monthly Social Security disbursements to retired couples and individuals have caused the formula to generate a new Retirement Allowance schedule for the 1973-74 processing year. In particular, ACT has changed its estimate of the amount by which Social Security benefits fall short of providing a moderate standard of living for retired couples and individuals. The new estimates are $1,400 for retired couples and $1,100 for retired single persons.

Families with No Assets. A difficulty with the procedure, if left unmodified, is that it helps to provide for the retirement of only those parents who have assets. For families with no assets (or assets less than the Retirement Allowance to which they are entitled), the Retirement Allowance would serve no function, and nothing would be done to help provide for their retirement. Thus, the Retirement Allowance would discriminate in favor of those families with assets and, as a consequence, violate the principle of horizontal equity—"equal taxation of people with equal ability and unequal taxation of people of unequal ability" *(1972 Revisions in the ACT Student Need Analysis Service*, p. 29).

The Available Income Increment. The problem, then, is to provide for the retirement of the family on the basis of its combined income and asset situation. This is accomplished in the ACT system through the Available Income Increment. Specifically, the Retirement Allowance to which the parents are entitled will be subtracted from the total net value of the parents' assets. If the assets exceed the Retirement Allowance, the remaining assets will be converted to yield an amount (the Available Income Increment) that will be *added* to Available Income. If, however, the Retirement Allowance exceeds the net value of parents' assets, the Available Income Increment will be negative; it will be *subtracted* from Available Income and will therefore reduce the parents' expected contribution. Thus, if parents' assets are less than the Retirement Allowance, a portion of the parents' income will be protected to help them prepare for their retirement. The reduction in income will be a function of the Asset Conversion Rates used to determine the Available Income Increment.

Asset Conversion. The Available Income Increment is derived by multiplying Available Assets by the Asset Conversion Rate. For a particular family the Asset Conversion Rate depends upon the Available Assets *and* the Available Income of the family. When Available Assets are greater than zero, the Asset Conversion Rate increases as both Available Assets and Available Income increase. Thus, the Available Income Increment is related progressively to the income-net worth position of the family. When Available Assets are less than zero, the Asset Conversion Rate is .05, and the negative Available Income Increment is related proportionally to the negative Available Assets. When Available Assets are zero, the Available Income Increment is, of course, zero.

The Asset Conversion Rate for a particular family is computed using one of the following formulas. When Available Assets in thousands (AA) and Available Income in thousands (AI) are both positive, the Asset Conversion Rate (ACR) is given by

$$ACR = .03 + .0005AA + .002AI + .00005\,(AA)(AI).$$

For example, if Available Assets are $8,500 (AA = 8.5) and Available Income is $2,500 (AI = 2.5), the Asset Conversion Rate (ACR) is approximately .040. This would produce an Available Income Increment (AII) of approximately $340. However, when AA is positive, but AI is zero or negative, the ACR is given by

$$ACR = .03 + .0005\,AA.$$

For example, if in the case just considered, Available Income is changed to $0 (or $-1,000), the ACR becomes approximately .034 and the AII becomes approximately $289. Finally, when the Available Asset figure is zero or negative,

$$ACR = .05.$$

Thus, if the Available Asset figure is $-3,200, the AII is $-160.

BEST COPY AVAILABLE

The fact that the Available Income Increment is related not only to Available Assets but also to Available Income is especially noteworthy. This feature distinguishes ACT's treatment of assets from that of alternative need analysis systems. Briefly, this approach produces a smaller contribution from the assets of a low-income/high-asset family than from the assets of a high-income/high-asset family. Thus, families who are, in a sense, "living off assets" are treated more equitably than in alternative systems whose treatment of assets is either insensitive to the income level of the family or simply excludes from consideration an arbitrary fraction of *particular* asset groupings. The latter policy, of course, leads to discrimination among families with identical income-net worth positions on the basis of the form in which wealth is held.

Table 6 in Appendix 15 provides the Available Income Increment resulting from various levels of Available Assets and Available Income. The Hand Calculation Forms in Chapter 5, pp. 34-36, display asset conversion formulations from which the Available Income Increment may be derived directly.

The Available Income Increment can be either positive or negative, and when applied to Available Income may result in an Adjusted Available Income figure above or below the Available Income figure.

The Adjusted Available Income Taxation Rates. Since Adjusted Available Income represents the money available for all discretionary purposes, the question remains: What portion of Adjusted Available Income should be expected for postsecondary education?

ACT approaches this question by applying progressive tax theory to need analysis. Given the concept of a basic standard of living (i.e., money sufficient to maintain a family at a given, predefined level), money over this standard can be considered available for a variety of purposes. Economists have demonstrated that as the amount of money available to the family for discretionary purposes increases, the ratio of basic consumption expenditures to total income decreases. Thus, as income increases, a larger percentage of income may be taxed with less effect on the maintenance of the family. The taxation of parents' Adjusted Available Income in the ACT system, therefore, is based upon four principles or assumptions:

1. All families should be evaluated against the same basic standard. Thus, equal marginal sacrifice should be expected for all families.

2. A primary objective of the family unit, after providing for the basic maintenance of all members of the unit, is to help provide for the education of its children.

3. Thus, as the income of the family unit exceeds the maintenance level for the family, a proportion of remaining income should be expected as a contribution for the education of its children.

4. The educational contribution expected from the family should be progressively related to the income that remains after the maintenance of the family is provided for. That is, as income increases above the basic family maintenance level, the expected educational contribution would increase at an increasing rate in order to work toward an equal marginal sacrifice expected of all families.

Adjusted Available Income Taxation Rate Schedule

AAI	Taxation Rates
$ 0-1,000	35%
1,001-2,000	$ 350 + 36% over $1,000
2,001-3,000	710 + 37% over $2,000
3,001-4,000	1,080 + 38% over $3,000
4,001-5,000	1,460 + 39% over $4,000
5,001-6,000	1,850 + 43% over $5,000
6,001-7,000	2,280 + 47% over $6,000
7,001-8,000	2,750 + 51% over $7,000
8,001 and above	3,260 + 57% over $8,000

The schedule above presents the expected parental contribution in cases where Adjusted Available Income is positive. However, when families are living below the BLS Low Standard, ACT's analysis produces a negative Adjusted Available Income. In the ACT system, a negative AAI will produce a zero parental contribution in 1973-74. (See *1973 Revisions in the ACT Student Need Analysis Service* for the rationale of zero parental contribution.)

Ranking Index. Since it may become necessary for the aid administrator to rank applicants with zero parental contribution, ACT will provide an index for doing so. The new index is simple, flexible, and easily interpreted. ACT will divide Adjusted Available Income (when negative) by the number of family members. This negative dollar amount will indicate the relative weakness of family financial resources. It will appear on the CFAR as the *AAI Per Capita*, followed by $-XXXX (amount printed). Thus an index is provided by which all applicants with negative Adjusted Available Incomes can be ranked.

A student with $-200 AAI Per Capita would be a higher priority for aid funds than a student with $-100 AAI Per Capita, even though their "need" would be equal (since each had a $0 parental contribution). This distinction is relevant, of course, only when aid funds are so limited as to prevent the aid administrator from assisting all students with a $0 parental contribution.

BEST COPY AVAILABLE

Total Parents' Contribution (PC). Adjusted Available Income times the AAI Taxation Rates will yield the parents' Contribution for Education for all children (not shown on CFAR). The parents' Contribution for Education is then divided by the number of family members in postsecondary education (assuming the family will divide its resources equally among its student members), and the result is the Total Parents' Contribution toward the particular applicant's education.

Contribution from Income and Contribution from Assets. Contribution from Income and Contribution from Assets are derived indirectly, only after the AAI Tax Rates have been applied to Adjusted Available Income and the parents' Contribution for Education has been found. That portion of the parents' Contribution for Education attributable to the parents' assets will equal the marginal contribution yielded by the Available Income increment, and will be shown separately on the CFAR.

In hand calculations it is possible to compute the parents' Contribution from Income alone by applying the AAI Tax Rates to Available Income (rather than Adjusted Available Income), and dividing the result by the number of family members in postsecondary education. Then by subtracting this figure from the Total Parents' Contribution (as computed from AAI) the Contribution from Assets may be obtained. (See Hand Calculation Forms in Chapter 5, pp. 34-36, for a summary of these procedures.)

The PC Array. As footnote to each CFAR, ACT will report 13 different Parental Contribution figures for each dependent student in 1973-74. Each PC figure will correspond to a different assumption concerning the length of time that the applicant will live at home with parents. Of course, one of these figures will correspond to the applicant allowance assumption made by the aid administrator and reported on ACT's Budget Questionnaire (see Appendix 8). This PC will be used to compute Total Family Contribution and Assistance Needed. The presence of alternate PCs based upon different applicant maintenance assumptions will avoid hand computations in cases where use of a different institutional budget figure is required. If, for example, the institutional budget contained 9 months of applicant maintenance and was therefore used in computing the PC reported on the CFAR, and at a later date 12 months of maintenance was more appropriate (i.e., the applicant decided to attend summer school), the aid administrator need only substitute the 12-month figure from the PC Array for the 9-month figure, and add it to Total Student Resources to find the Total Family Contribution. An example of the PC Array and further explanation are contained in Chapter 5.

C. STUDENT RESOURCES

The calculation of student resources for the dependent student as outlined in Chapter 5 is fairly straightforward and requires little explanation. The calculation includes:

1. The anticipated savings from the student's summer earnings, plus
2. Student's net assets prorated over the number of years of schooling remaining, plus
3. VA benefits, Social Security benefits, and resources from other similar programs, which equal
4. Total Student Contribution.

If the institution chooses not to use local figures, ACT will use a standardized set of "national" figures (see Budget Questionnaire in Appendix 8).

Student Assets. Since the assumption in the ACT system is that the primary mission of a student is to complete his postsecondary education, it is expected that all his liquid assets will be used until his education is completed. The net value of student assets (the same primary asset types as used in the analysis of parents) is, as a consequence, divided by the number of years of postsecondary education remaining to determine the contribution expected from student assets during a given year.

ACT no longer provides the option of including student assets over a given value in the parents' asset calculation for two reasons: (1) If one institution decides to use the option and another does not, the differential treatment of the two students produces different levels of need for students of equal circumstances; (2) The assets do belong to the student, not to his parents, regardless of how they were accumulated (see pp. 34-35, *1972 Revisions in the ACT Student Need Analysis Service*).

Social Security. Since the same logic applies for the student's Social Security benefits, the 1973-74 ACT system will treat them as student resources for consistency and equity nationwide.

Total Family Contribution. When the Total Student Contribution is added to the Total Parents' Contribution, the Total Family Contribution is obtained. When the Total Family Contribution is subtracted from the institution's Educational Budget, Assistance Needed is obtained, and the analysis is complete.

BEST COPY AVAILABLE

Chapter 5

THE ACT NEED ANALYSIS SYSTEM: HOW IT WORKS

This chapter outlines the mechanics of the ACT Need Analysis System. An understanding of it will enable the reader to follow the analysis of a student's need according to the ACT system, and, if necessary, calculate expectancies manually. The computations vary for different student situations. These situations are:

1. Single—financially dependent upon parents
2. Self-supporting (single and married)
3. Married—financially dependent upon parents.

Each of these situations will be examined separately, after the following explanation of the processing year.

"Base Year." In the dependent model the determination of the contribution expected from the family is based upon the income information from the most recent completed tax year, which is termed the "Base Year." This procedure provides the most reliable source of income information, and under this procedure Taxable Income and Allowable Deductions are known, not estimated. (For a discussion of the issues surrounding the use of Base Year vs. Estimated Year income information, see Orwig & Jones, 1970 and Orwig, 1971b.)

During 1973-74 processing, therefore, income information from the Base Year will be collected and used to determine expected Parents' Contribution for all families as reported in the analysis section of the CFAR. For the vast majority of ACT aid applicants, 1973 will be the Base Year, since most ACT aid applicants file after January of the processing year. For approximately 15% of the applicants, however, 1973 actual income and deductions will not be known, since they will not yet have filed their Federal Tax Returns. In these cases it will be necessary to use 1972 actual data to compute Available Income. Thus, during the 1973-74 processing year, the Base Year may be either 1972 or 1973.

As supplementary information, each CFAR will also contain estimated information for the 1974 tax year. This enables the administrator to accurately estimate income information for the tax year closest to the year in which the applicant may be receiving aid.[1]

These estimates will be accomplished in two steps. The first step will be to estimate Adjusted Gross Income (Taxable Income) for 1974 based on the ratio of Adjusted Gross Income to Total Income (Taxable plus Nontaxable Income) during the Base Year. The second step will be to estimate 1974 Allowable Deductions based on the ratio of Allowable Deductions to Adjusted Gross Income during the Base Year. Thus, Allowable Deductions for 1974 will be determined as follows:

$$d = \frac{D}{A}\left(\frac{A}{I} \times i\right)$$

Where
- d = Estimated Year (1974) Allowable Deductions
- i = Estimated Year (1974) Total Income
- D = Base Year Allowable Deductions
- A = Base Year Adjusted Gross Income
- I = Base Year Total Income

$\left(\frac{A}{I} \times i\right)$ = Estimated Year (1974) Adjusted Gross Income

A similar procedure is used to determine the Social Security payment deduction when 1974 income is estimated. That is, 1974 Adjusted Gross Income is estimated from $\left(\frac{A}{I} \times i\right)$ and the Social Security payment deduction is equal to $\left(\frac{A}{I} \times i\right)$ times .0585 of first $10,800.

[1] In the self-supporting model an estimated year (July 1, 1974 to June 30, 1975) is used in the analysis of need, and 1973 income information (actual or estimated) is presented as supplementary information.

BEST COPY AVAILABLE

Single Dependent Students

Calculations outlined here are for single students who are financially dependent upon their parents and for whom there would presumably be parental contributions. ACT considers students who state on the FFS they (1) received parental support, (2) live with or (3) are claimed by their parents as Federal Income Tax exemptions (during the current year, or year prior to that in which aid is to be received) as financially dependent upon their parents. (See also the section on Self-Supporting Students on p. 31.) In addition, certain assumptions about financial dependence are made if these questions are not answered on the FFS. These assumptions generally result in considering the student who does not respond to these questions as financially dependent. Comments in the "Notes" section of the CFAR call attention to these assumptions.

Figure 1

Calculation of Available Income

	Adjusted Gross Income (AGI)
+	Nontaxable Income
=	Total Income
-	Family Size Allowance (Table 1)
-	Federal Income Tax Paid
-	ACT Allowable Deductions ([9% of AGI, with a minimum of $780 and a maximum of $1,200] or [total itemized deductions minus (contributions + interest)], whichever is greater)
-	Housekeeping Allowance (50% of one-parent income or lesser of two incomes to a maximum of $1,500)
-	Social Security Tax Paid (5.85% of first $10,800 on each income)
=	AVAILABLE INCOME

THE TREATMENT OF PARENTS' INCOME

Calculation of Available Income is shown in Figure 1, and can be outlined as follows:

1. Determine Total Income
The adjusted gross income as reported on IRS forms is added to the nontaxable income (such as parents' Social Security, welfare payments, etc.), if any, to get the family's total income for the year.

2. Determine ACT Allowances
a. For family size and consumption (see Table 1, Appendix).
b. For the Federal Income Tax the family has paid.
c. For the deductions (less contributions and interest) which were allowed on the Federal Income Tax Return.
d. For the Housekeeping Allowance, if appropriate.[3]
e. For the Social Security Tax the family has paid.

3. Determine Available Income
Allowances are subtracted from Total Income, yielding "Available Income." The calculation of Available Income reflects not only the family's income, but also family size and unusual expenses. It should be noted that such items as medical and dental expenses, state and local taxes, catastrophe losses, etc., are all contained in the deductions on the Federal Income Tax Return, and therefore in the ACT Allowable Deductions.

THE TREATMENT OF PARENTS' ASSETS

The ACT Need Analysis System recognizes that parents' contribution for education will be affected by their asset situation as well as by the size of the available income. ACT assumes that when assets are available, parents will contribute more, due to their increased financial strength. This assumption is based upon the premise that one of the reasons parents accrue assets is to provide for education, and that they should be willing to use a portion of these assets for their children's educational expenses. *Another assumption is that the parents' contribution from assets should be progressive, that parents with substantial assets should contribute a greater proportion of these assets than parents whose assets are moderate.* Likewise, as discussed in Chapter 4, when the asset situation is unfavorable, compensation is made through the Retirement Allowance and the consequent negative Available Income Increment to insure the equitable treatment of that family in comparison to those with a favorable asset situation.

[3]When both parents are working, an additional allowance of 50% of the lesser of the two incomes to a maximum of $1,500 is made to compensate for additional "housekeeping" expenses. The allowance applies equally to the earned income of a single parent.

BEST COPY AVAILABLE

The calculation of the Available Income Increment is shown in Figure 2. The specific steps are as follows:

1. The net value of parents' personal assets is totaled. These include savings, home equity, value of other real estate, investments, and value of trusts.

2. The net worth of business or farm assets owned by the parents is added to the parents' personal assets.

3. The Retirement Allowance is subtracted. It is calculated by the computer and can be estimated from Table 3A or Table 3B, "Retirement Allowances" for two- or one-parent families, respectively.

4. The result is "Available Assets."

5. The appropriate Asset Conversion Rate is applied to determine the **Available Income Increment.** (See Chapter 4 and Table 6, Appendix 15.) It is assumed that this "increment" is the increased strength (or weakness) due to the asset situation.

TOTAL PARENTS' CONTRIBUTION

Figure 3 illustrates the calculation of Parents' Total Contribution. The steps in the calculation are as follows:

1. The Available Income Increment (+ or –) is added to Available Income (from Figure 1) to arrive at *Adjusted Available Income.*

2. The Adjusted Available Income Taxation Rates are applied to Adjusted Available Income.

3. The result is the parents' Contribution for Education for all children. This figure does not appear on the CFAR, since the next figure is most important.

4. The parents' Contribution for Education is divided by the number of children in postsecondary education to obtain the *Total Parents' Contribution* (PC) for the particular applicant.

It should be noted that a negative Adjusted Available Income will produce a zero PC in 1973-74. Since it may become necessary for the aid administrator to rank applicants with zero parental contribution, ACT will provide an index for doing so. ACT will divide Adjusted Available Income, when negative, by the number of family members. This negative dollar amount will indicate the relative weakness of family financial resources. It will appear on the CFAR as the *AAI Per Capita*, followed by a printed negative dollar amount.

As a footnote to each CFAR, ACT will report 13 different Parental Contribution figures on each dependent student in 1973-74. Each PC will correspond to a different assumption concerning the length of time that the applicant will live at home with parents. The figure

Figure 2

	The net value of parents' personal assets (savings, home equity [current market value minus mortgage], other real estate, investments, and trusts)
+	The net value of business or farm
–	Retirement Allowance (see Table 3A or 3B)
=	Available Assets (may be + or –)
x	Asset Conversion Rate
=	AVAILABLE INCOME INCREMENT (+ or –)

Figure 3

	Available Income Increment (+ or –)
+	Available Income
=	ADJUSTED AVAILABLE INCOME (AAI) (when AAI is $0 or less, PC will be $0)
	Adjusted Available Income
x	AAI Taxation Rates (Table 2)
=	Parents' Contribution for Education (not on CFAR)
	Parents' Contribution for Education
÷	Number in postsecondary education
=	TOTAL PARENTS' CONTRIBUTION (PC)

BEST COPY AVAILABLE

corresponding to the applicant allowance assumption reported by the aid administrator on ACT's Budget Questionnaire* will be used to compute Total Family Contribution and Assistance Needed as discussed below.

The presence of alternate PCs based upon different applicant maintenance assumptions will avoid hand computations in cases where use of a different budget figure is required. For example, consider the PC Array for a dependent student in the following illustration.

IF MONTHS APPLICANT IS MAINTAINED IN SCHOOL BUDGET ARE:

	12	11	10	9	8	7	6	5	4	3	2	1	0
PC ($) =	720	690	660	630	600	570	540	510	480	450	420	390	360

If the aid administrator indicates on the Budget Questionnaire that the institutional budget contains 9 months of applicant maintenance, ACT will use a PC of $630 to compute the Total Family Contribution and Assistance Needed. Suppose, however, that this student applies for summer aid, necessitating the use of a 12-month budget. The aid administrator need only add the PC of $720 to Student Resources to derive the appropriate Total Family Contribution for the 12-month period.

The original PC figure ($630) assumed the applicant would be maintained for 3 months at home, and therefore gave the parents the appropriate allowance. The $90 difference ($720 - $630) represents the additional PC expected, since the applicant was not maintained at home by the parents at all, but was cared for in the school's budget.

Adjustments can be made using the 13-PC footnote by remembering to ask this question: How many months of maintenance at school for *this* applicant is appropriate? When the appropriate number of months is incorporated into the institutional budget, the corresponding PC will be selected.

CALCULATION OF STUDENT RESOURCES

The student resources of the dependent single student consist of expected summer savings, student assets, VA benefits, Social Security, and aid from other similar programs. The calculation is shown in Figure 4. The specific steps are as follows:

1. An estimated figure for the student's anticipated savings from summer earnings is set by the post-secondary institution according to the classification into which the student falls.

	Male	Female
Freshman	—	—
Sophomore	—	—
Junior	—	—
Senior	—	—
Graduate	—	—

It is recommended that the institution set these figures on the basis of average earnings for its own students, rather than a set of standardized figures. If these are not provided by the institution, the standardized figures listed in the ACT Budget Questionnaire (see Appendix 8) are used.

2. The student's assets are divided by the number of years remaining to his or her next degree (or the completion of the program if nondegree).

3. To these figures are added the VA and Social Security benefits, etc., which a student may be receiving.

Figure 4

	Expected Savings from Summer Earnings
+	Contribution from Student Assets
+	Veteran's Benefits, etc.
+	Social Security Amount
=	TOTAL STUDENT RESOURCES

*Suggestions for constructing the institution's budget are contained in the ACT Budget Questionnaire (see Appendix 8).

BEST COPY AVAILABLE

TOTAL FAMILY CONTRIBUTION AND ASSISTANCE NEEDED

As indicated in Figure 5, the calculations described in the preceding section will yield an estimate of the contribution the family can make toward the student's education during a given 12-month period, regardless of the actual length of the school term. By subtracting the Total Family Contribution from the institution's educational budget, the relative Assistance Needed by the student is obtained.

Figure 5

	Total Parents' Contribution
+	Total Student Resources
=	TOTAL FAMILY CONTRIBUTION
	Educational Budget
-	Total Family Contribution
=	ASSISTANCE NEEDED

"Contribution from Income" and "Contribution from Assets" in the Dependent Model. These figures, though they appear on the CFAR in the "Income" and "Asset" column respectively, are derived indirectly, only after the AAI Taxation Rates have been applied to Adjusted Available Income and the parents' Contribution for Education (not shown on CFAR) has been found. If the aid administrator finds it necessary to calculate these figures by hand, it is possible to compute the parents' Contribution from Income by applying the AAI Tax Rates to Available Income (rather than Adjusted Available Income), and dividing the result by the number of family members in postsecondary education. Then by subtracting the Contribution from Income from the Total Parents' Contribution (as computed from AAI) the Contribution from Assets may be obtained. (See Hand Calculation Forms, pp. 34-36, for a summary of these procedures.)

Self-Supporting Students

In the ACT system a self-supporting student is one who (1) has received no financial support from his/her family (ignoring amounts of less than $600 a year), (2) does not live with his/her family (excluding brief holiday periods), and (3) is not claimed as an income tax exemption on his/her parents' tax return (see Block W on FFS). These conditions must have existed since January 1 of the calendar year completed before the school year for which aid application is made and must extend through that period. For example, for 1974-75 applications the student may not have lived with parents during 1973 and 1974, including summers. (ACT will perform a "dependent" analysis on any FFS upon which one "yes" is coded in any of the nine questions in Block W. The FFS will be rejected until sufficient parental income data are provided for the dependent student analysis.) Both actual or estimated 1973 data and estimated 1974-75 data will appear on the CFAR, with *Estimated Year* used in the analysis of need.

ACT has made two important changes in its 1974-75 self-supporting model. First, in addition to Federal Income Tax payments and Social Security payments, a Family Size Allowance will be subtracted from Estimated Total Income to derive the Contribution from Income for self-supporting students.[5] ACT's revised Family Size Allowance schedule (see Chapter 4) will be used to produce a more consistent contribution from income for self-supporting students in a variety of circumstances.

Second, ACT will use a schedule based upon age to tax the Net Assets of the self-supporting student. (Net Assets are calculated in the same manner as are parents' assets in the dependent model.) This schedule is characterized by a simple inverse linear relationship between the age of the self-supporting student and the rate at which Net Assets are taxed for an expected contribution.

[5]Since Federal Income Tax deductions do not reflect, in general, the expenses faced by the single self-supporting student or a student family, ACT will not subtract estimated tax deductions. ACT believes that the aid administrator is in a better position to adjust the analysis for unusual expenses of self-supporting students. If reported by the applicant, the CFAR will show as an informational item the 1973 (actual or estimated) uninsured medical, dental, eye care expenses, and uninsured losses by theft or casualty, in excess of $100 per loss.

BEST COPY AVAILABLE

Net Asset Taxation Schedule for Self-Supporting Students

Age	Net Asset Taxation Rate
25 and under	30%
26	29
27	28
28	27
29	26
30	25
31	24
32	23
33	22
34	21
35	20
36	19
37	18
38	17
39	16
40	15
41	14
42	13
43	12
44	11
45 and above	10

Note.—*See 1973 Revisions in the ACT Student Need Analysis Service for a derivation of this Schedule.*

THE SELF-SUPPORTING STUDENT'S CONTRIBUTION FROM INCOME

The self-supporting student's Contribution from Income is calculated as shown in Figure 6. The specific steps are as follows.

1. The estimated taxable and estimated nontaxable incomes of the applicant and his or her spouse (if applicable) are totaled.
2. The Federal Income Taxes to be paid are subtracted.
3. The Social Security Taxes paid are subtracted. (Social Security is assumed to be 5.85% of the first $10,800 of each income.)
4. The Family Size Allowance is subtracted (see Table 1).
5. The result is the Contribution from Income of the self-supporting student.

Figure 6

	Total Taxable Income* (applicant and spouse)
+	Nontaxable Income* (Social Security, GI Bill, etc.)
=	Total Income*
-	Federal Income Tax Payments* (Table 4)
-	Social Security Payments* (5.85% of first $10,800)
-	Family Size Allowance (Table 1)
=	CONTRIBUTION FROM INCOME

*Estimated

THE SELF-SUPPORTING STUDENT'S CONTRIBUTION FROM ASSETS

The calculation of the self-supporting student's Contribution from Assets is presented in Figure 7. The specific steps are as follows.

1. Net Assets are calculated exactly as are the parents' assets in the dependent model; i.e., the net value of savings, home equity, value of other real estate, investments, value of trusts, and the net worth of business or farm assets.
2. The Net Asset Taxation Rate is applied.
3. The result is the Contribution from Assets.

No retirement allowance is used in the computation of the self-supporting student's assets. The Asset Taxation Rates allow for the accumulation of assets for retirement or emergencies by expecting decreasing contributions as age increases.

The Contribution from Income (negative in many cases) will be added to the Contribution from Assets to derive the Total (Student) Family Contribution. When computed in this manner, self-supporting student financial resources should be subtracted from the family's

BEST COPY AVAILABLE

direct costs of postsecondary education, i.e., tuition, fees, and books. (This means, of course, that when self-supporting student financial resources are negative, self-supporting student need will exceed the direct costs of postsecondary education.)

Figure 7

Calculation of Self-Supporting Student's Contribution from Assets

Net Assets
x Net Asset Taxation Rate (p. 32)
= CONTRIBUTION FROM ASSETS

Figure 8

Calculation of Self-Supporting Student's Need

Educational Budget (Direct Costs only)
− Total (Student) Family Contribution (+ or −) — Cont. from Income (+ or −) + Cont. from assets (+ or 0)
= NEED

For example, if the direct educational costs are $1,000 for two self-supporting students, whose Total Family Contributions are $-100 and $200 respectively, the need for the first is $1,100 ($1,000 - [$-100]) and for the second is $800 ($1,000 - $200). The first student will need not only $1,000 for school expenses, but also $100 to meet maintenance expenses.

Dependent Married Students

Married students who are dependent upon their parents (either currently receiving support or being claimed as exemptions on their parents' tax returns) are expected to contribute toward their own education in the same manner as if they were self-supporting. In addition, the normal contribution is expected from their parents. A special need analysis is performed for these students and both the parental and student contributions are printed out on the CFAR.

This calculation is simply the combination of a base year (1972 or 1973) parents' contribution and an estimated year (1974-75) self-supporting student's contribution.

The Single Resident Student

A resident student is one living at or near the institution, probably in housing owned or operated by the institution. The dependent resident student's need is figured by subtracting the Total Family Contribution from the resident student budget fixed by the institution. If the applicant is attending an "out-of-state" institution, any additional "out-of-state" fee submitted by the institution is added to the institution's budget. The self-supporting resident student's need is calculated in the manner indicated in Figure 8.

Hand Calculating with the ACT System

Although the ACT system is designed for computer processing, hand calculations can be performed, following the steps previously outlined. ACT has developed forms for both the dependent and self-supporting student which may be used to record the results of hand calculations. Examples of these forms follow. Chapter 6 will contain examples of hand calculations following the CFARs for certain sample cases.

BEST COPY AVAILABLE

THIS PANEL for Base Year computation guides and calculating tips on the "Estimated" year—used on the infrequent occasions when Base Year data are unavailable or inappropriate.

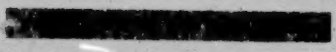
[redacted]

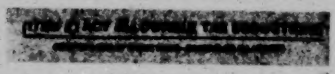
[redacted]

[redacted]

[redacted]

[redacted]





1 IF STD. DEDUCTION, USE 9% (.09) X LINE A (with min. = $780, max. = $1,200)

OR

2 Adjusted Gross Income $ _____
Net Taxable Income (Table 5) $ _____
No. of Exemptions X $750 $ _____
(-)$ _____
Federal Tax Deductions (-)$ _____
(MINUS) Contribution and Interest (-)$ _____
(TOTAL) ACT ALLOWABLE DEDUCTIONS (-)$ _____

NOTE: Because NTI = AGI - Exemptions - Deductions
Deductions = AGI - Exemptions - NTI

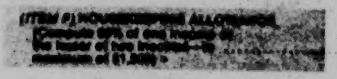
OR

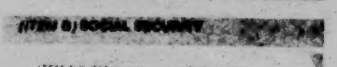
3 (ONLY FOR ESTIMATED YEAR)
IF ITEMIZED, COMPUTE:

$$\frac{\text{PREVIOUS YEAR'S DEDUCTIONS}}{\text{PREVIOUS YEAR'S AGI}} \times \text{ITEM A} =$$

[redacted]

[redacted]





ITEM A X .052 (not to exceed $468 if 1972)
ITEM A X .0585 (not to exceed $632 if 1973 or not to exceed $702 if 1974)

NOTE: Self-Employment Tax is .075 of first $9,000 for 1972, .080 of first $10,800 for 1973, and .080 of first $12,000 for 1974. This applies to farm or business owners.

[illegible]

1974–75 HAND CALCULATION

DEPENDENT STUDENT

PARENTS' INCOME

A _____ Adjusted Gross Income
(+) _____ Nontaxable Income
B (=) _____ Total Income

(MINUS) **ALLOWANCES:**

C _____ Family Size Allowance (Table 1)
D (+) _____ Federal Income Tax
E (+) _____ ACT Allowable Tax Deductions
F (+) _____ Housekeeping Allowance
G (+) _____ Social Security Tax (and/or Self-Employment Tax)
(Enter)
H (-) _____ Total Allowances
I (=) _____ **AVAILABLE INCOME**

J (+) _____ Available Income Increment
K (=) _____ **ADJUSTED AVAILABLE INCOME**
(Find Contribution for Education from Table 2 at right)
L (-) _____ Contribution for Education (all students)
(-) _____ Divided by Number in postsecondary ed
M (=) _____ **TOTAL PARENTS' CONTRIBUTION**

STUDENT'S RESOURCES

(Enter)
Student's Assets
(Enter)
(DIVIDE BY) Number of years of postsecondary education remaining

_____ Savings from summer earnings
_____ Total Social Security, Welfare, etc.
(+) _____ Other [Specify _____]
(Enter)
(Enter)
N (+) _____ Total Student Contribution
O (=) _____ **TOTAL FAMILY CONTRIBUTION**

Comments _____

Note: Circle the + or - as appropriate.

BEST COPY AVAILABLE

FORM

APPLICANT'S NAME

SOCIAL SECURITY NUMBER

PARENTS' ASSETS

Home Market Value $ _____
(-) Home Mortgage $ _____
Equity ..... (-) _____

Savings, Real Estate, and Investments . (+) _____

Net Value of Parents
Farm or Business ..... (+) _____

NET ASSETS ..... (=) _____

Retirement Allowance (Table 3A
or 3B using Available
Income from I) ..... (-) _____

AVAILABLE ASSETS ..... (=) _____

(Use Asset Conversion Formula at right
to yield Available Income Increment)

NOTE: If needed separately, PC's from income and or assets may be determined as below

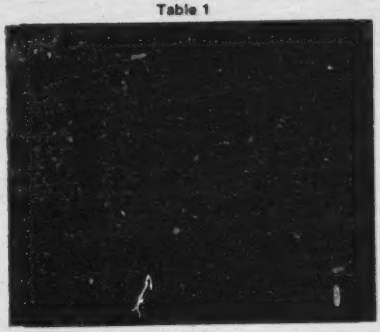
PC (Income) = $\frac{\text{Contribution (Use Avail. Inc. & Table 2)}}{\text{No. in postsecondary ed}}$

PC (Assets) = Total PC - PC (Income)

	Commuter	Resident
Educational Budget		
Total Family Contribution	–	–
ASSISTANCE NEEDED	=	=

	2nd Rev	1st Rev	AWARD
BEOG			
Grant			
Schshp			
Loan			
Work			
O.			
F A A Initials			
Date			

Table 1



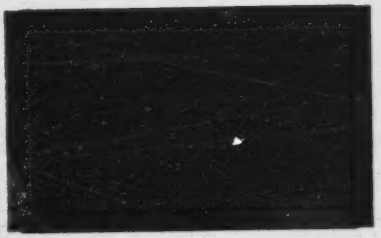
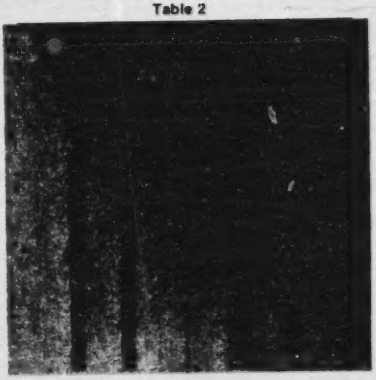


Table 2



CON'T ON BACK

BEST COPY AVAILABLE

1974 - 75
HAND CALCULATION FORM
SELF-SUPPORTING STUDENT

Applicant Name

Social Security Number

INCOME

_____ Estimated Income - **BLOCK Y** (Inst. 7)

* _____ Applicant's Benefits (Social Security, V.A., etc.)

* _____ Other Sources of Income to Applicant

= _____ Total Estimated Income

Estimated Federal Income Tax (see Table 4 on back) . . . . . _____

Estimated Social Security Payments (.0585 x Taxable Income, up to $702 on each income) . . . . . + _____

Family Size Allowance (Table 1) . . + _____

\- _____ Total Allowance = _____

= + _____ Contribution from Income
(A)

ASSETS

Home . . . . . Market Value . . . . . _____
. . . . . Mortgage . . . . . - _____
. . . . . Equity . . . . . = _____

Other Real Estate, Investments . . . . + _____

Net Value of Farm or Business . . . + _____

Savings of Applicant . . . . . + _____

_____ Applicants Primary Assets ← _____ = _____
(Same as Available Assets on CFAR)

* _____ Asset Taxation Rate (at right)

= _____ Contribution from Assets
(B)

_____ **TOTAL (STUDENT) FAMILY CONTRIBUTION**
(C) (A) + (B)

Tuition and Fees . . . . . _____

Books, Equipment and Supplies . . . . . + _____

Spouse's Tuition and Fees . . . . . + _____

Spouse's Books, Equipment and Supplies . . . . . + _____

Other Direct Costs . . . . . + _____

Total Direct Educational Costs . . . . . = _____
(D)

TABLE 1

1974-75 ACT Family Size Allowance Schedule

Family Member Months	*Family Size Allowance*
12	$2,520
13-36	$2,520 + 130 for each month over 12
37-48	$6,640 + 110 for each month over 36
49-60	$8,960 + 90 for each month over 48
61-72	$9,040 + 70 for each month over 60
73 and Over	$9,880 + 60 for each month over 72

Asset Taxation Rates

Age	*Rate*
25 and Under	.30
26	.29
27	.28
28	.27
29	.26
30	.25
31	.24
32	.23
33	.22
34	.21
35	.20
36	.19
37	.18
38	.17
39	.16
40	.15
41	.14
42	.13
43	.12
44	.11
45 and Above	.10

PACKAGE (AND REVISIONS)

Educational Budget (D)		
* -Resources (C)	±	±
*Assistance Needed		

Note: Circle the + or - as appropriate

	2nd Rev.	1st Rev.	Award
BEOG			
Grant			
Schshp.			
Loan			
Work			
Other			
F.A.A. Initials			
Date			

*Remember a (-) minus a (-) change the second (-) and add

BEST COPY AVAILABLE

Chapter 6

INTERPRETATION AND USE OF THE COMPREHENSIVE FINANCIAL AID REPORT

This chapter examines the Comprehensive Financial Aid Report (CFAR). The first section will show how information from the input document, the Family Financial Statement (FFS), is transferred to the output document, the CFAR. In addition to the information transferred from the FFS, the CFAR also contains computer-generated information, which can be seen from the sample cases that follow.

It should be recognized that the CFAR was designed to report quantitative (or objective) information about the family's situation. It is meant to be used in a quantitative analysis of a student's financial need. An aid administrator may therefore seek additional "qualitative" information (i.e., Are there extenuating circumstances within the family?).

Many institutions will collect this kind of information in their aid application forms. ACT has also given an opportunity for the student to provide this information to the institution of his/her choice by furnishing a worksheet for the FFS (see Appendix 2A). Page 4 of the worksheet contains items most frequently found on institutional aid applications. The student is instructed to forward the FFS worksheet to the institution of his/her first choice. Additional copies of Page 4 are contained in the FFS packet in order that the applicant may also forward copies to his/her second- and third-choice institutions.

Sample Cases. The second section of this chapter is devoted to sample cases which are documented on the CFAR. This section contains detailed explanations of sample calculations for a variety of student applicants. These samples have been chosen to depict typical Family Financial Statements received by ACT. In some instances, income amounts and federal tax figures have been selected in order to reflect specific aspects of a given calculation. None of the information shown on these sample cases represents actual Family Financial Statements received by ACT.

Prior to examining these cases, it is essential to have a clear understanding of the information presented previously in this handbook. References to sections of the handbook, as part of the explanation of a given calculation, should be followed carefully.

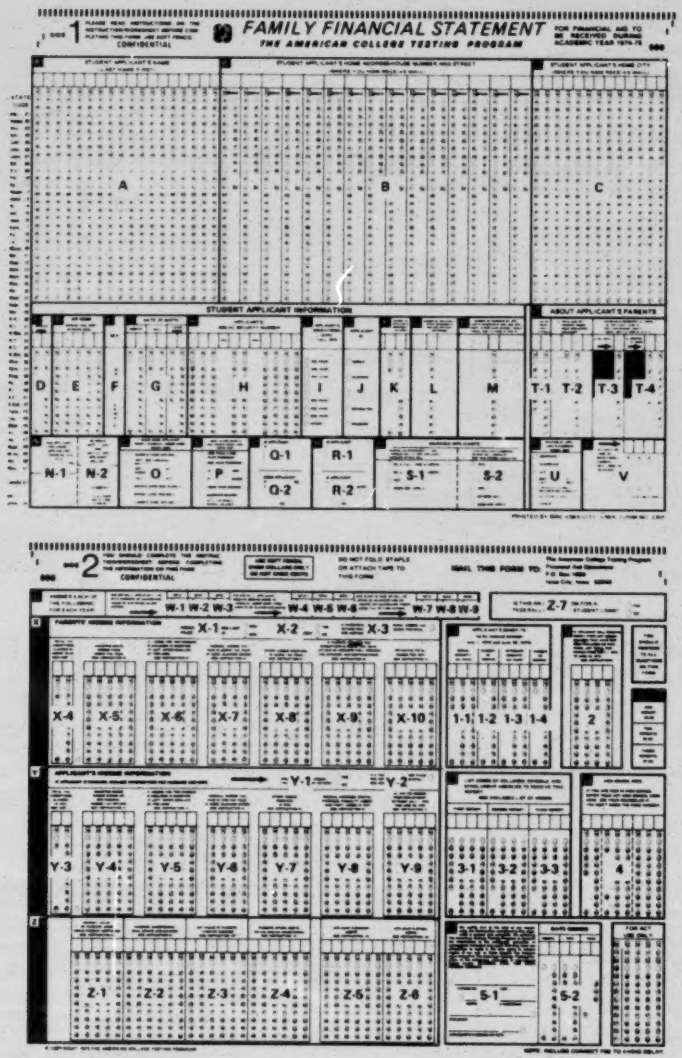
The first sample case, Richard Brown, depicts a Model "R" CFAR (meaning "Rejected in Analysis"), the Model "R" Student Financial Aid Report (SFAR) which was sent to Richard by ACT (requesting corrections), the Hand Calculation Form that was used by Richard's aid administrator, and the final, revised Model "D" (Dependent) CFAR received by the aid administrator after Richard submitted corrections to ACT. Thus, the entire process, from original submission of the FFS to the final analysis on the CFAR, is examined.

Each sample case following Richard Brown presents a different situation. Carolyn Stafford is an example of a Model "S" (Self-Supporting) CFAR. Wayne Williams is an example of a Model "M" (Dependent Married) CFAR. The remaining examples each represent a unique set of circumstances.

The cases should be read in the order presented, since, to avoid redundancy, points discussed in preceding samples will not be repeated.

31-506 O - 74 - 15

BEST COPY AVAILABLE



BEST COPY AVAILABLE

Data from FFS to CFAR. These facing pages depict where information from the input document, the Family Financial Statement (FFS), is printed on the output document, the Comprehensive Financial Aid Report (CFAR). Full-sized documents may be found in Appendix 2B and 3, respectively.

The CFAR contains two different types of information—information as it appeared on the FFS and information generated by the computer. The CFAR sample below shows the locations of information that corresponds to information from the FFS, shown on the opposite page.

The model used in analysis is determined by the responses to W-1 through W-9 (FFS, side 2 and CFAR, Section 2). The self-supporting analysis is made when the responses to all nine questions are "no." If any one response is "yes" or blank, the student is considered a dependent student. A Rejected Model (Model R) indicates one or more items of missing information necessary to complete the analysis. See Comments 17, 18, 33, 34, and 64 in Appendix 16 for examples of the types of circumstances that generate a Model R.

Base Year (X-5) may be either 1973 or 1972 (X-1).

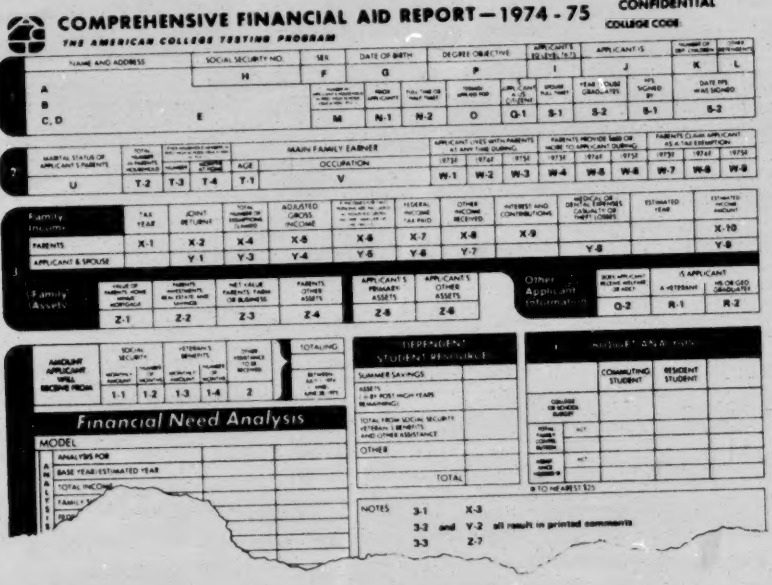
The "Estimated Year" for parents (CFAR, Section 3, left of X-10) is 1974. The applicant's "Tax Year" will always be 1973 and applicant's "Estimated Year" will be from July 1, 1974 to June 30, 1975.

"Parents' Other Assets" (Z-4) and "Applicant's Other Assets" (Z-6, CFAR, Section 3) are not used in the analysis, but are informational items for the aid administrator. They will be asterisked on the CFAR and noted in the "Notes" section.

The "Dependent Student Resources" section of the CFAR will contain computer-generated information. The institutional response to "S" on the Budget Questionnaire (Appendix 8) determines the amount that is used for "Summer Savings." "Assets" are the "Applicant's Primary Assets" (Z-5) only. The "Total from Social Security, Veteran's Benefits, and Other Assistance" is computed by using the amounts and number of months indicated by the student in 1-1, 1-2, 1-3, 1-4, and 2.

The "Notes" section of the CFAR is very important. In this section are printed comments identifying assumptions made by ACT from the information or lack of information on the FFS. Other unusual situations will also be noted by a comment. A list of the comments which the computer can print and a detailed explanation of the conditions which cause each comment are included in Appendix 16.

The Instruction Worksheet for the FFS is shown in Appendix 2A.



BEST COPY AVAILABLE

Richard M. Brown—Model R CFAR

Section 1 of Richard's Model R CFAR is complete. It shows that he is a 19-year-old single male freshman. He is a U.S. citizen, and will be full-time student during the academic year 1974-75. The Family Financial Statement was signed February 19, 1974, by Richard, his father, and his mother.

Section 2 shows that Richard's parents are married, that one other household member is in post-high school education besides Richard. Richard lives with his parents and is supported by them; they claimed him as a tax exemption on their Federal Tax Return for 1973 and 1974. However, Richard failed to provide this information for 1975 in Block W of his FFS. (The rejection was not caused by these omissions, however, as will be explained in the next paragraph.) Consequently, the missing information generated Comments 14, 15, and 16 in the "Notes" section of the CFAR. The comments show that ACT assumed "yes" to those questions. (Appendix 16 contains the complete list of CFAR Comments, and explains each comment. It is important to read these in order to understand the complete meaning of the comments as they are presented on the CFAR.) Section 2 also shows that the main family earner is 40 years old and is a health technician.

Section 3 of Richard's CFAR shows the family's income and assets. The parents' 1973 tax return was joint; they claimed six exemptions, and had an adjusted gross income of $12,650. Of the $12,650, $1,000 was the smaller of two incomes. There was no other income, and Richard's parents' estimate of their 1974 income was $13,000. An important item of information is missing from this section. In Box X of the FFS, the family failed to list the amount of Federal Income Tax they paid in 1973, the "base year" in this case. The missing information generated Comment 17 in the Notes section and caused the FFS to be rejected until the information was provided. The Model R CFAR was sent to the institution requested by Richard on his FFS, and a SFAR was sent to Richard, requesting the missing information. The remainder of Section 3 is complete, and shows Richard's income information and the family's asset information.

Richard's FFS was processed by ACT on February 25, 1974, as shown at the bottom of the page, and it is located in ACT's files using the batch and stack codes.

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT—1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE

1

NAME AND ADDRESS	SOCIAL SECURITY NO.	SEX	DATE OF BIRTH	DEGREE OBJECTIVE	APPLICANT'S ED. LEVEL (4-7)	APPLICANT'S		
BROWN, RICHARD M 4360 DARLEY BRECKENRIDGE, NJ 60601	000-00-0000	MALE	08-01-55	PHD-PROF'L	13TH	SINGLE		

NUMBER OF APPLICATIONS TO THIS COLLEGE (INCLUDING THIS ONE)	PRIOR APPLICANT?	FULL TIME OR PART TIME?	TERMINAL APPLICATION	APPLICANT'S ED. LEVEL (1-3) CITIZENS	SPOUSE FULL TIME?	YEAR SPOUSE GRADUATED	FFS SIGNED BY	DATE FFS WAS SIGNED
1	NO	FULL	74-75	YES			FMA	02-19-74

2

MARITAL STATUS OF APPLICANT'S PARENTS	TOTAL NUMBER IN PARENTS' HOUSEHOLD	FOR DEPENDENCY PURPOSES: NUMBER	FOR DEPENDENCY PURPOSES: NUMBER OF CHILDREN	AGE	MAIN FAMILY EARNER: OCCUPATION	APPLICANT LIVED WITH PARENTS AT ANY TIME DURING: 1973	1974	1975	PARENTS PROVIDED MORE OR MORE INCOME TO APPLICANT DURING: 1973	1974	1975	PARENTS CLAIM APPLICANT AS A TAX EXEMPTION: 1973	1974	1975
MARRIED	6	1	03	40	HEALTH TECHNICIAN	YES	YES		YES	YES		YES	YES	

3

Family Income	TAX YEAR	JOINT RETURN?	TOTAL NUMBER OF EXEMPTIONS CLAIMED	ADJUSTED GROSS INCOME	FOR PARENTS: TOTAL NUMBER OF PERSONS WHO HAVE ANY INCOME, OR IF NO INCOME, AGE OF OLDEST OR ONLY CHILD	FEDERAL INCOME TAX PAID	OTHER INCOME RECEIVED	INTEREST AND CONTRIBUTIONS	MEDICAL OR DENTAL EXPENSES, CASUALTY OR THEFT LOSSES	ESTIMATED YEAR	ESTIMATED INCOME AMOUNT
PARENTS	1973	YES	06	12650	1000		0			1974	13000
APPLICANT & SPOUSE	1973	NO	01	1000		0	0			74-5	1000

Family Assets	VALUE OF PARENTS' HOME WITHOUT MORTGAGE	PARENTS' INVESTMENTS (REAL ESTATE, AND SAVINGS)	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	APPLICANT'S PRIMARY ASSETS	APPLICANT'S OTHER ASSETS
	10500	3900	0	500*	500	0

Other Applicant Information	DOES APPLICANT RECEIVE WELFARE OR ADC?	IS APPLICANT A VETERAN?	IS OR GED GRADUATE?
	NO	NO	YES

4

AMOUNT APPLICANT WILL RECEIVE FROM	SOCIAL SECURITY: MONTHLY AMOUNT	SOCIAL SECURITY: NUMBER OF MONTHS	VETERAN'S BENEFITS: MONTHLY AMOUNT	VETERAN'S BENEFITS: NUMBER OF MONTHS	OTHER ASSISTANCE TO BE RECEIVED	TOTALING
	0	0	0	0	0	0

DEPENDENT STUDENT RESOURCES	
SUMMER SAVINGS	
ASSETS (1-4 IN POST-HIGH YEARS REMAINING)	
TOTAL FROM SOCIAL SECURITY, VETERAN'S BENEFITS, AND OTHER ASSISTANCE	
OTHER	
TOTAL	

BUDGET ANALYSIS		COMMUTING STUDENT	RESIDENT STUDENT	
COLLEGE OR SCHOOL BUDGET				
TOTAL FAMILY FINANCIAL RESOURCE	ACT.			
FINAL FINANCIAL NEED	ACT.			

● TO NEAREST $25

Financial Need Analysis

MODEL FFS REJECTED IN ANALYSIS

ANALYSIS FOR			
BASE YEAR-ESTIMATED YEAR			
TOTAL INCOME			
FAMILY SIZE ALLOWANCE			
FEDERAL INCOME TAX			
DEDUCTIONS ALLOWANCE			
HOUSEKEEPING ALLOWANCE			
SOCIAL SECURITY TAX			
= AVAILABLE INCOME			
EDUCATIONAL CONTRIBUTION			
NUMBER IN COLLEGE			
CONTRIBUTION FROM INCOME			
PARENTS' HOME EQUITY			
PARENTS' INVESTMENTS (REAL ESTATE AND SAVINGS)			
NET VALUE OF PARENTS' FARM OR BUSINESS			
PARENTS' OTHER ASSETS			
NET ASSETS OF APPLICANT AND SPOUSE (ALL SUPPORTING ONLY)			
= NET ASSETS			
RETIREMENT ALLOWANCE			
+ AVAILABLE ASSETS			
AVAILABLE INCOME INCREMENT			
EXPECTATION FROM ASSETS			
NUMBER IN COLLEGE (DEPENDENT ONLY)			
CONTRIBUTION FROM ASSETS			
ADJUSTED AVAILABLE INCOME			
TOTAL CONTRIBUTION			

NOTES

ASSUMED APPLICANT LIVES WITH PARENTS	14
ASSUMED PARENTS SUPPORT APPLICANT	15
ASSUMED PARENTS CLAIM APPLICANT AS TAX EXEMPTION	16
FFS REJECTED FOR PARENTAL FINANCIAL DATA	17

*NOT USED IN ANALYSIS

5

P-DATE 022574 SEQ.NUMBER 00115
BATCH/STACK 08250003

BEST COPY AVAILABLE

Richard M. Brown—SFAR

At the same time the Model R CFAR was on its way to the institution, the Student Financial Aid Report (SFAR) shown opposite was sent to Richard. The top portion lists all the information he gridded on his Family Financial Statement. This is sent to Richard to be verified and to request the missing information.

The "Reports Sent To" section lists the institutional code he requested, the name of the institution, and the comment the individual institution has chosen to be printed. (See Budget Questionnaire, Appendix 8.) In Richard's case the institution code is 0000 and the institution comment is "Requires Page 4 of FFS Instruction/Worksheet."

Richard's parents listed their 1973 Adjusted Gross Income and the Total Number of Exemptions Claimed as mentioned in the preceding CFAR discussion, but failed to list the Federal Income Tax Paid. ACT is unable to perform the need analysis without this information. Therefore, in the "Other Comments" box, all 1973 income information is requested to determine missing tax paid and to confirm income and exemptions claimed. To insure a speedy reply, it is also stated that processing cannot be completed until ACT receives his response.

When ACT receives the information required to complete the analysis, a new CFAR and SFAR will be generated and sent to the institution and to Richard, respectively. If there are no further additions or corrections which Richard wishes to make, he will keep the final SFAR for his records.

The bottom section of the SFAR is the "Additional College Report Request." If Richard corrects data (e.g., 1975 Block W information) in addition to providing information requested by ACT, he should complete this section. If he wants reports sent to additional institutions, he should also complete this section. Richard will find a fee explanation on the reverse side of his SFAR. See Appendix 4.

BEST COPY AVAILABLE

ACT Student Financial Aid Report — 1974-75

TO THE FINANCIAL AID APPLICANT

THIS FORM IS SENT TO YOU TO VERIFY THE INFORMATION YOU RECENTLY SENT TO ACT. SEE THE REVERSE SIDE FOR MORE INFORMATION.

SEX	DATE OF BIRTH	SOCIAL SECURITY NO	APPLICANT'S ED LEVEL TO FS	APPLICANT IS					
M	08-01-55	000-00-0000	13TH	SINGLE	0	0	1	NO	FULL

TERMS APPLIED FOR	DEGREE OBJECTIVE	APPLICANT IS A CITIZEN		IS APPLICANT A VETERAN	IS APPLICANT HIS ORIGINAL GRADUATE	SPOUSE FULL TIME	YEAR SPOUSE GRADUATES
74-75	PHD-PROF'L	YES	NO	NO	YES		

MARITAL STATUS OF APPLICANT'S PARENTS	NUMBER IN PARENTS HOUSEHOLD	NUMBER	MONTHS	MAIN FAMILY EARNER AGE	OCCUPATION
MARRIED	6	1	03	40	HEALTH TECHNICIAN

FFS SIGNED BY	DATE FFS WAS SIGNED
FMA	02-19-74

NAME AND ADDRESS

BROWN, RICHARD M
4360 DARLEY
BRECKENRIDGE, N J 60401

APPLICANT LIVES WITH PARENTS AT MOST TIME DURING			PARENTS REPORTS SAID OR MADE TO APPLICANT DURING			PARENTS CLAIM APPLICANT AS A TAX EXEMPTION		
1973	1974	1975	1973	1974	1975	1973	1974	1975
YES	YES		YES	YES		YES	YES	

Family Income	TAX YEAR	JOINT RETURN	TOTAL NUMBER OF EXEMPTIONS CLAIMED	ADJUSTED GROSS INCOME	[illegible]	FEDERAL INCOME TAX PAID	OTHER INCOME RECEIVED	INTEREST AND CONTRIBUTIONS	MEDICAL OR DENTAL EXPENSES CASUALTY OR SHIFT LOSSES	ESTIMATED YEAR	ESTIMATED INCOME AMOUNT
PARENTS	1973	YES	06	12650	1000		0			1974	13000
APPLICANT & SPOUSE											

Family Assets	VALUE OF PARENTS HOME WHILE MORTGAGE	PARENTS INVESTMENTS REAL ESTATE AND SAVINGS	NET VALUE PARENTS FARM OR BUSINESS	PARENTS OTHER ASSETS	APPLICANT'S PRIMARY ASSETS	APPLICANT'S OTHER ASSETS		SOCIAL SECURITY MONTHLY AMOUNT	SOCIAL SECURITY NUMBER OF MONTHS	VETERAN'S BENEFITS MONTHLY AMOUNT	VETERAN'S BENEFITS NUMBER OF MONTHS	OTHER ASSISTANCE TO BE RECEIVED
	10500	3900	0	500	500	0		0	0	0	0	0

CONFIDENTIAL

0000 - MIDSTATE UNIVERSITY --
REQUIRES PAGE 4 OF FFS INSTRUCTION/WORKSHEET

LIST PARENTS 1973 INCOME $_____ FEDERAL INCOME TAX PAID $ _____
PERSONS CLAIMED AS EXEMPTIONS ____ AND 1973 DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS $ _____. OTHER INCOME RECEIVED IN ABOVE YEAR $ _____.

WE ARE UNABLE TO COMPLETE PROCESSING UNTIL WE RECEIVE YOUR RESPONSE.

ADDITIONAL COLLEGE REPORT REQUEST

Use this form to request reports for colleges in addition to those listed on your Family Financial Statement. Please print all information requested and return the form with the proper fee (see reverse side) to The American College Testing Program, Financial Aid Operations, P.O. Box 1000, Iowa City, Iowa 52240

000000000 350
0825 022574
F 0000

NAME OF SCHOOL	CITY	STATE	ACT CODE

THIS REPORT PREPARED FOR
BROWN, RICHARD M
4360 DARLEY
BRECKENRIDGE, N J 60401

Before returning this form to ACT please supply the information requested in the boxes at the right. If your name and address are not shown correctly in the box at the left, please make corrections.

FIRST 5 LETTERS OF YOUR LAST NAME

DATE OF BIRTH MO DAY YR

SOCIAL SECURITY NUMBER

BEST COPY AVAILABLE

Richard M. Brown—Hand Calculation Form

Richard received his SFAR on March 1, corrected his errors, and returned it to ACT. At ACT's suggestion (see point 3, on reverse side of SFAR, Appendix 4) he also contacted the aid administrator at the institution he had chosen. The administrator computed Richard's financial need on the Hand Calculation Form for Dependent Students in order to include him in that day's processing. See Chapter 5, pp. 34-35, for complete Sample Hand Calculation Form.

The revised CFAR, received several days later, (see next page), provides confirmation of his hand calculations. The analysis is discussed in detail in the revised CFAR sample.

[redacted]

[redacted]

1 (F STD DEDUCTION USE 9% X 0% X LINE A
(with min = $780, max = $1,200)
= 1139

OR

2 Adjusted Gross Income $12650
Net Taxable Income (Table 5) $6263
No. of Exemptions X $750 $4500
(-)$10763
Federal Tax Deductions (+)$1887
(MINUS) Contribution and Interest (-)$ 0
(TOTAL) ACT ALLOWABLE DEDUCTIONS (-)$1887

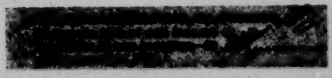
NOTE: Because NTI = AGI - Exemptions - Deductions
Deductions = AGI - Exemptions - NTI

OR

3 (ONLY FOR ESTIMATED YEAR)
IF ITEMIZED, COMPUTE

PREVIOUS YEAR'S DEDUCTIONS / PREVIOUS YEAR'S AGI X ITEM A =

[redacted]



[redacted]

ITEM A X .052 (not to exceed $488 if 1972)
ITEM A X .0585 (not to exceed $632 if 1973
or not to exceed $702 if 1974)

632 = 1st income
+59 = 2nd income
691

NOTE: Self-Employment Tax is .075 of first $9,000 for 1972, .080 of first $10,800 for 1973, and .080 of first $12,000 for 1974. This applies to farm or business owners.

IRS Standard Deductions = 15% of AGI. Contributions and interest are 40% of deductions in ACT Allowable Deductions = 60% & 15% or = 9% of AGI

1974–75

HAND CALCULATION

DEPENDENT STUDENT

197

PARENTS' INCOME

A 12650 Adjusted Gross Income
(+) 0 Nontaxable Income
B (=) 12650 Total Income

(MINUS) **ALLOWANCES:**

4 @ 12 = 48
+ Richard = 3
+ brothers = 3
54 Fm

C 7500 Family Size Allowance (Table 1)
D (+) 1050 Federal Income Tax
E (+) 1139 ACT Allowable Tax Deductions
F (+) 500 Housekeeping Allowance
G (+) 691 Social Security Tax (and/or Self-Employment Tax)
(Enter)
H (-) 10880 Total Allowances
I (=) 0 1770 **AVAILABLE INCOME**

J (+) 0 10 Available Income Increment
K (=) 0 1780 **ADJUSTED AVAILABLE INCOME**
(Find Contribution for Education from Table 2 at right)
L (=) 630 Contribution for Education (all students)
(-) 2 Divided by Number in postsecondary ed.
M (=) 315 **TOTAL PARENTS' CONTRIBUTION**
310

STUDENT'S RESOURCES

125 (Enter)
4 | 500 ← Student's Assets
(Enter)
(DIVIDE BY) Number of years of postsecondary education remaining

125
400 Savings from summer earnings
0 Total Social Security, Welfare, etc.
(+) 0 Other (Specify _____)
(Enter)
N (+) 525 Total Student Contribution
O (=) 830 **TOTAL FAMILY CONTRIBUTION**
(Enter)

Comments _____

Note: Circle the + or - as appropriate

BEST COPY AVAILABLE

FORM

APPLICANT'S NAME
Richard Brown

SOCIAL SECURITY NUMBER
000-00-0000

PARENTS' ASSETS

Home Market Value $ _____
(-) Home Mortgage $ _____
Equity ..... (=) 10500

Savings, Real Estate, and Investments ..(+) 3900

Net Value of Parents Farm or Business ..... (+) 0

NET ASSETS ..... (=) 14400

Retirement Allowance (Table 3A or 3B using Available Income from I) ..... (-) 14090

AVAILABLE ASSETS ..... (=) 0310

(Use Asset Conversion Formula at right to yield Available Income Increment)

NOTE: If needed separately, PC's from income and/or assets may be determined as below

PC (Income) = Contribution (Use Avail. Inc. & Table 2) / No. in postsecondary ed

PC (Assets) = Total PC - PC (Income)

Table 1

[redacted]

[redacted]

=1045

Table 2

[redacted]

1780 between 1175 & 1180

CON'T ON BACK

	Commuter	Resident
Educational Budget		2300
Total Family Contribution	-	- 930
ASSISTANCE NEEDED	=	= 1370

	2nd Rev	1st Rev	AWARD
BEOG			2
Grant			675
Schshp			100
Loan			200
Work			400
Oth			
F A A Initials			KG
Date			3/1/74

BEST COPY AVAILABLE

Richard M. Brown—Revised CFAR

Upon receipt of Richard's corrected SFAR, ACT processed his changes. The revised CFAR (shown opposite) was sent to the institution.

Since Richard is clearly dependent upon his parents, a dependent student model was used for the analysis in Section 4 of the CFAR.

Analyses are shown for both the parents' base (1973) and estimated (1974) years. The base year is used to calculate Total Family Contribution. The estimated year analysis is shown for information purposes only. The 1974 calculation follows procedures similar to those for 1973, and the Total Parents' Contribution is larger primarily because of their increased income.

The parents' 1973 total income is $12,650. From this figure five allowances are deducted. The Family Size Allowance is $7,500. (See Table 1, Appendix 9.) Four family members reside in the household throughout the year, while a fifth member, also in post-high school education, resides at home for 3 months (*T(3)* and *T(4)* on FFS). Richard will be maintained in the school budget for 9 months, and therefore will reside in the household for the remaining 3 months. (See *L(2)* of Budget Questionnaire.) Fifty-four (48 + 3 + 3 = 54) Family Member Months results in a Family Size Allowance of $7,500. Federal Income Tax Paid was $1,050 (Richard's parents chose standard rather than itemized deductions). The ACT Allowable Deductions was computed as $1,139 (9% of Adjusted Gross Income; see Chapter 5, Figure 1). A $500 Housekeeping Allowance (50% of lesser income of $1,000) is subtracted, since both father and mother work. The Social Security Tax paid by both parents was $691 ($632 + $59). The resultant figure after these deductions is *Available Income*, calculated to be $1,770 ($12,650 - $7,500 - $1,050 - $1,139 - $500 - $691).

The parents' assets ($3,900 savings and investments, and $10,500 in home equity) total $14,400. Richard's parents have other assets valued at $500, which are not used in the analysis. ACT collects this data for research purposes. (This situation is indicated by the * comment in the Notes section.)

A Retirement Allowance of $14,090 (see Table 3A, Appendix 12) is deducted from Net Assets to determine Available Assets of $310. The appropriate Asset Conversion Rate (see Chapter 4, p. 24, or Table 6, Appendix 15) is used with Available Income and Available Assets to determine the *Available Income Increment* of $10.

The Available Income Increment is added to the Available Income for a total *Adjusted Available Income* (shown on the next-to-last line of Section 4) of $1,780. The parents' Contribution for Education for all family members from an Adjusted Available Income of $1,780 (see Table 2, Appendix 10) is $631. This figure is not shown on the CFAR. The division of this amount equally between the two family members in post-high school education results in a *Total Parents' Contribution* toward Richard's education of $315. ACT "drops" the unit's place in total contribution amounts for parents and for total student resources. Therefore, parents' total 1973 contribution to Richard's education is shown on the last line of Section 4 as $310.

For the purpose of demonstrating the portion of Total Parents' Contribution attributable to the parents' income, the Available Income, rather than Adjusted Available Income, may be used with Table 2, Appendix 10 to yield Educational Contribution of $627. When this figure is divided equally between the two family members in post-high school education, the result is a Contribution from Income of $313.

The Educational Contribution of $627 is subtracted from the parents' Contribution for Education ($631) and the result ($4) is shown in the analysis of assets section as Expectation from Assets. The division of this amount between two family members in post-high school education results in the $2 Contribution from Assets figure. These calculations are provided by ACT in order to assist aid administrators to counsel students, and are not meant as essentials of the need analysis system.

Richard's resources, shown in the Dependent Student Resources section, consist of summer savings of $400 and $125 from his Primary Assets ($500÷4 years of post-high school education remaining) for a total of $525. The unit's place is dropped and the result is $520.

When Richard's resources are added to the Total Parents' Contribution of $310, the Total Family Contribution becomes $830. In the Budget Analysis section, the Total Family Contribution of $830 is subtracted from this sample's institutional budget for a resident student to derive the Assistance Needed. Thus, a budget of $2,200 minus $830 results in Assistance Needed of $1,370, which, when rounded to the *nearest* $25, is $1,375. The Resident Student Budget reflects 9 months of student maintenance, and, accordingly, the analysis reflects 3 months of family maintenance for Richard (Comment 94 in "Notes").

In addition, this sample institution's budget for a commuting student is $750, and reflects no student maintenance by the school. Section 5 of the CFAR presents 13 parental contribution figures, each resulting from different assumptions about the number of months of student maintenance in the school budget. The commuting student budget analysis would therefore use the "applicant maintained 0 months" assumption and yield $170 Parental Contribution (PC).

The Total Family Contribution for the Commuting Student Budget becomes $690. Subtracting $690 from the Commuting Student Budget of $750 results in Assistance Needed of $50, rounding to the *nearest* $25. The PC Array in Section 5 will appear on each Dependent Model CFAR during the 1973-74 Processing Year. However, they will *not* appear on the remainder of the sample cases.

In the Notes section of Richard's CFAR, comments indicate that a Housekeeping Allowance was used in the analysis, and that this is a revised CFAR. Comment 94, with the appropriate institutionally-provided assumptions (see Budget Questionnaire) will appear on all Dependent Model CFARs. These comments are explained more fully in Appendix 16.

The last entries on the CFAR, in the lower right-hand portion, indicate that ACT processed Richard's revised application March 11, 1974, and where his form is located in ACT's FFS files.

227 BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT—1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

1	NAME AND ADDRESS	SOCIAL SECURITY NO.	SEX	DATE OF BIRTH	DEGREE OBJECTIVE	APPLICANT'S GRADE LEVEL	APPLICANT'S	NUMBER OF DEPENDENTS	OTHER DEPENDENTS
	BROWN, RICHARD M 4360 DARLEY BRECKENRIDGE, NJ 60401	000-00-0000	MALE	08-01-55	PHD-PROF'L	13TH	SINGLE		
			1	NO	FULL	74-75	YES		FMA

2	MARITAL STATUS OF APPLICANT'S PARENTS	TOTAL NUMBER IN PARENTS HOUSEHOLD	NUMBER	NUMBER EARNING INCOME	MAIN FAMILY EARNER AGE	OCCUPATION	APPLICANT LIVES WITH PARENTS AT ANY TIME DURING '73	'74	'75	PARENTS PAID OR MADE UP MORE TO APPLICANT DURING '73	'74	'75	PARENTS CLAIM APPLICANT AS A TAX EXEMPTION '73	'74	'75
	MARRIED	06	1	03	40	HEALTH TECHNICIAN	YES	YES	NO	YES	YES	YES	YES	YES	YES

3 Family Income	TAX YEAR	JOINT RETURN?	TOTAL NUMBER OF EXEMPTIONS CLAIMED	ADJUSTED GROSS INCOME	EARNED INCOME OF PARENTS WHO INCLUDED APPLICANT IN INCOME TAX RETURN	FEDERAL INCOME TAX PAID	OTHER INCOME RECEIVED	INTEREST AND CONTRIBUTIONS	MEDICAL OR DENTAL EXPENSES CASUALTY OR THEFT LOSSES	ESTIMATED YEAR	ESTIMATED INCOME AMOUNT
PARENTS	1973	YES	06	12650	1000	1050	0			1974	13000
APPLICANT & SPOUSE	1973	NO	01	1000		0	0			74-5	1000

Family Assets	VALUE OF PARENTS HOME MINUS MORTGAGE	PARENTS INVESTMENTS REAL ESTATE AND SAVINGS	NET VALUE PARENTS FARM OR BUSINESS	PARENTS OTHER ASSETS	APPLICANT'S PRIMARY ASSETS	APPLICANT'S OTHER ASSETS
	10500	3900	0	500*	500	0

Other Applicant Information	DID APPLICANT RECEIVE WELFARE GRANT?	IS APPLICANT A VETERAN?	HS OR GED GRADUATE?
	NO	NO	YES

	SOCIAL SECURITY MONTHLY AMOUNT	NUMBER OF MONTHS	VETERAN'S BENEFITS MONTHLY AMOUNT	NUMBER OF MONTHS	OTHER RESOURCES TO BE RECEIVED	TOTALING

DEPENDENT STUDENT RESOURCES	
SUMMER SAVINGS	400
ASSETS (BY POST HIGH YEARS REMAINING)	125
TOTAL FROM SOCIAL SECURITY VETERAN'S BENEFITS AND OTHER ASSISTANCE	
OTHER	
TOTAL	520

BUDGET ANALYSIS		COMMUTING STUDENT	RESIDENT STUDENT
		750	2200
	NET	690	830
	NET	50	1375

* TO NEAREST $25

Financial Need Analysis

MODEL DEPENDENT STUDENT

	PARENTS	PARENTS
BASE YEAR: ESTIMATED YEAR	1973	1974
TOTAL INCOME	12650	13000
FAMILY SIZE ALLOWANCE	7500	7500
FEDERAL INCOME TAX	1050	1079
DEDUCTIONS ALLOWANCE	1139	1170
HOUSEKEEPING ALLOWANCE	500	500
SOCIAL SECURITY TAX	691	761
	1770	1920
EDUCATIONAL CONTRIBUTION:	627	706
NUMBER IN COLLEGE	2	2
CONTRIBUTION FROM INCOME	313	353
PARENTS HOME EQUITY	10500	10500
PARENTS INVESTMENTS REAL ESTATE AND SAVINGS	3900	3900
NET VALUE OF PARENTS FARM OR BUSINESS	0	0
PARENTS OTHER ASSETS	*	*
NET ASSETS OF APPLICANT AND SPOUSE SELF SUPPORTING ONLY		
+ NET ASSETS	14400	14400
RETIREMENT ALLOWANCE	14090	13880
= AVAILABLE ASSETS	310	520
	10	17
EXPECTATION FROM ASSETS	4	6
NUMBER IN COLLEGE DEPENDENT ONLY	2	2
CONTRIBUTION FROM ASSETS	2	3
	1780	2007
TOTAL PARENTS' CONTRIBUTION	310	350

NOTES

HOUSEKEEPING ALLOWANCE USED IN ANALYSIS	80
THIS IS A REVISED CFAR	86
APPLICANT MAINTAINED 3 MONTHS AT HOME	94

*NOT USED IN ANALYSIS

5	IF MONTHS APPLICANT MAINTAINED IN SCHOOL BUDGET ARE:											
	12 MO.	11 MO.	10 MO.	9 MO.	8 MO.	7 MO.	6 MO.	5 MO.	4 MO.	3 MO.	2 MO.	1 MO.	0 MO.
	PC= 360	340	330	310	290	280	260	240	230	210	200	180	170

P-DATE 031174 SEQ. NUMBER 00236
BATCH/STACK 08360007

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT—1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

1

NAME AND ADDRESS	SOCIAL SECURITY NO.	SEX	DATE OF BIRTH	DEGREE OBJECTIVE	APPLICANT'S GRADE LEVEL	APPLICANT IS	NUMBER OF DEPENDENT CHILDREN	OTHER DEPENDENTS
STAFFORD, CAROLYN 1453 ASHCROFT BAYVIEW, TX 62241	000-00-0000	FEM	01-30-50	FOUR YEAR	14TH	SINGLE	0	1

NUMBER OF APPLICANT'S PARENTS WHO HAVE EARNED HIGH SCHOOL DIPLOMA	PRIOR APPLICANT	FULL TIME OR PART TIME	PRIOR APPLICANT	APPLICANT'S U.S. CITIZENSHIP	SPOUSE FULL TIME	YEAR SPOUSE GRADUATES	FFS SIGNED BY	DATE FFS WAS SIGNED
1	NO	FULL	74-75	YES			A	02-02-74

2

MARITAL STATUS OF APPLICANT'S PARENTS	TOTAL NUMBER IN PARENTS HOUSEHOLD	NUMBER	NET PARENTAL INCOME	AGE	MAIN FAMILY EARNER OCCUPATION	APPLICANT LIVES WITH PARENTS AT ANY TIME DURING 1973	1974	1975	PARENTS PROVIDE MORE THAN HALF OF APPLICANT'S SUPPORT DURING 1973	1974	1975	PARENTS CLAIM APPLICANT AS A TAX EXEMPTION 1973	1974	1975
						NO	NO	NO	NO	NO	NO	NO	NO	NO

3

Family Income	TAX YEAR	JOINT RETURN?	TOTAL NUMBER OF EXEMPTIONS CLAIMED	ADJUSTED GROSS INCOME	TOTAL NUMBER OF PERSONS WHO ARE WORKING FULL TIME OR PART TIME	FEDERAL INCOME TAX PAID	OTHER INCOME RECEIVED	INTEREST AND CONTRIBUTIONS	MEDICAL AND DENTAL EXPENSES EXCLUDING INSURANCE	ESTIMATED YEAR	ESTIMATED INCOME AMOUNT
PARENTS											
APPLICANT & SPOUSE	1973	NO	1	3110		155	0		0	74-5	3000

Family Assets	VALUE OF PARENTS HOME MINUS MORTGAGE	PARENTS INVESTMENTS IN REAL ESTATE AND SAVINGS	NET VALUE PARENTS FARM OR BUSINESS	PARENTS OTHER ASSETS	APPLICANT'S PRIMARY ASSETS	APPLICANT'S OTHER ASSETS
					800	

Other Applicant Information	DOES APPLICANT RECEIVE WELFARE AID?	IS APPLICANT A VETERAN?	IS APPLICANT HIGH SCHOOL GRADUATE?
	NO	NO	YES

	SOCIAL SECURITY MONTHLY AMOUNT	NUMBER OF MONTHS	VETERAN'S BENEFITS MONTHLY AMOUNT	NUMBER OF MONTHS	OTHER RESOURCES TO BE REVIEWED	TOTALING
						BETWEEN ALL OF THE ABOVE

DEPENDENT STUDENT RESOURCES

BUDGET ANALYSIS

4

Financial Need Analysis

MODEL: SELF-SUPPORTING

ANALYSIS FOR	STUDENT	STUDENT
BASE YEAR ESTIMATED YEAR	1973	74-5
TOTAL INCOME	3110	3000
FAMILY SIZE ALLOWANCE	2520	2520
FEDERAL INCOME TAX	155	137
DEDUCTIONS ALLOWANCE	0	0
HOUSEKEEPING ALLOWANCE	0	0
SOCIAL SECURITY TAX	182	176
= AVAILABLE INCOME	253	167
EDUCATIONAL CONTRIBUTION	253	167
NUMBER IN COLLEGE	1	1
CONTRIBUTION FROM INCOME	253	167
PARENTS HOME EQUITY		
PARENTS OUTSIDE REAL ESTATE AND SAVINGS		
NET VALUE OF PARENTS FARM OR BUSINESS		
PARENTS OTHER ASSETS		
NET ASSETS OF APPLICANT AND SPOUSE (SELF-SUPPORTING ONLY)	800	800
= NET ASSETS	800	800
RETIREMENT ALLOWANCE		
= AVAILABLE ASSETS	800	800
AVAILABLE INCOME INCREMENT		
EXPECTATION FROM ASSETS	240	240
NUMBER IN COLLEGE (DEPENDENT ONLY)		
CONTRIBUTION FROM ASSETS	240	240
ADJUSTED AVAILABLE INCOME		
TOTAL STUDENT'S CONTRIBUTION	490	400

Carolyn Stafford

Carolyn is a self-supporting student, since she answered "no" to all nine questions in Block W of her FFS (shown in Section 2 of her CFAR). For self-supporting students, ACT bases the calculation of assistance needed on the estimated income from employment plus income from nontaxable sources for the period from July 1, 1974 to June 30, 1975.

Carolyn estimates that her 1974-75 income will be $3,000. She expects no income from nontaxable sources in 1974-75, and reports primary Assets of $800.

The Hand Calculation Form at right shows the calculations in Carolyn's analysis. These figures are confirmed on the CFAR.

No allowances for housekeeping or tax deductions are made for self-supporting students, since these two allowances are based upon income which in itself is an estimate. A Family Size Allowance of $2,520 is made for Carolyn (see Table 1 at right). Her estimated Income Tax payments for 1974-75 are $137 (see Table 4-A, Appendix 13). Her Social Security Tax will be $176. This results in a Contribution from Income of $167 ($3,000 - $2,520 - $137 - $176).

Carolyn's Assets of $800 are taxed at a rate of 30% (see rates at right), resulting in a Contribution from Assets of $240.

When Contribution from Income and Contribution from Assets are added and the unit's place is dropped, Carolyn's Total Student Contribution becomes $400. When this figure is subtracted from the school's direct educational costs (tuition, fees, books, and supplies) of $700, the Assistance Needed for Carolyn is $300.

ACT processed Carolyn's FFS on February 7, 1974.

5

P-DATE 020774 SEQ. NUMBER 00144
BATCH/STACK 01931233

BEST COPY AVAILABLE

1974 - 75
HAND CALCULATION FORM
SELF-SUPPORTING STUDENT

Applicant Name
Carolyn Stafford

Social Security Number
000-00-0000

INCOME

3000 Estimated Income - BLOCK Y (Inst. 7)

+ 0 Applicant's Benefits (Social Security, V.A., etc.)

+ 0 Other Sources of Income to Applicant

= 3000 Total Estimated Income

Estimated Federal Income Tax (see Table 4 on back) 137

Estimated Social Security Payments (.0585 x Taxable Income, up to $702 on each income) ..... + 176

Family Size Allowance (Table 1) .. + 2520

- 2833 Total Allowance = 2833

= ⊕ 167 Contribution from Income
(A)

ASSETS

Home: Market Value ..... _____
Mortgage ..... - _____
Equity ..... = 0

Other Real Estate, Investments .... + 0

Net Value of Farm or Business ... + 0

Savings of Applicant ..... + 800

800 Applicants Primary Assets ← = 800
(Same as Available Assets on CFAR)

* .30 Asset Taxation Rate (at right)

= 240 Contribution from Assets
(B)

407 TOTAL (STUDENT) FAMILY CONTRIBUTION
(C) (A) + (B)
400

Tuition and Fees 550

Books, Equipment and Supplies ..... + 150

Spouse's Tuition and Fees ..... + _____

Spouse's Books, Equipment and Supplies ..... + _____

Other Direct Costs ..... + _____

Total Direct Educational Costs ..... = 700
(D)

TABLE 1

1974-75 ACT Family Size Allowance Schedule

Family Member Months	Family Size Allowance
12	$2,520
13-36	$2,520 + 130 for each month over 12
37-48	$5,640 + 110 for each month over 36
49-60	$6,960 + 90 for each month over 48
61-72	$8,040 + 70 for each month over 60
73 and Over	$8,880 + 60 for each month over 72

Asset Taxation Rates

Age	Rate
25 and Under	.30
26	.29
27	.28
28	.27
29	.26
30	.25
31	.24
32	.23
33	.22
34	.21
35	.20
36	.19
37	.18
38	.17
39	.16
40	.15
41	.14
42	.13
43	.12
44	.11
45 and Above	.10

PACKAGE (AND REVISIONS)

Educational Budget (D)		700
* -Resources (C)	±	⊕ 400
= Assistance Needed		300

Note: Circle the + or - as appropriate

	2nd Rev.	1st Rev.	Award
BEOG			
Grant			
Schshp.			
Loan			300
Work			
Other			
F.A.A. Initials			JCK
Date			2/18/74

*Remember a (-) minus a (-), change the second (-) and add

BEST COPY AVAILABLE

Wayne A. Williams

Wayne is a 25-year-old married graduate student and has two children. Other information in Sections 1 and 2 is much the same as in the other sample cases.

Wayne's parents are married. They have two other household members, neither of whom is in post-high school education. The main family earner is 60 years old and is a salaried businessman. Wayne does not live with his parents nor do they claim him as a tax exemption. However, Wayne's FFS indicated he receives more than $600 support from his parents.

Because Wayne's parents contribute to his support, a Model "M" (Dependent Married) is used for the analysis. The parents' Base Year is 1973. The CFAR shows a calculation of 1973 parental contribution as if Wayne were an ordinary dependent student (except that Wayne is not a member of his parents' household, and is not included in the parents' Family Size Allowance). It also shows Wayne's contribution to his expenses as if he were self-supporting (thus a Family Size Allowance is given to Wayne and his own family). Wayne's contribution and his parents' contribution are added to obtain the Total Family Contribution in the dependent married model.

In the dependent married model, the parents' base year income is used in the analysis, and Wayne's estimated 1974-75 income information is used.

Wayne's parents filed a joint Federal Tax Return for 1973. Adjusted Gross Income is $10,115, with $924 in federal tax and four exemptions claimed. No other income is received and all of the adjusted gross income is earned by one person. Wayne's parents estimate they will earn $11,000 in 1974.

The parents' Assets include $800 in Savings and Investments, and $8,000 in Home Equity.

Wayne and his wife also filed a joint return for 1973, reporting $3,000 of Adjusted Gross Income. They paid no federal tax and claimed four exemptions. They estimate their 1974-75 Income to be $1,000, and they have no assets.

Wayne will be receiving GI benefits in 1974-75. When these are added to his estimated adjusted gross income for the same period, his Total Income becomes $4,792. After his Family Size Allowance and Social Security taxes are deducted, he has a Contribution from Income of $-2,227, which, when added to his Contribution from Assets ($0), and dropping the unit's digit, results in Wayne's Total Contribution of $-2,220.

The analysis indicates Wayne's parents can contribute $70 toward Wayne's education, and when this is added to Wayne's contribution, the Total Family Contribution is $-2,150. The institution's direct educational expenses (tuition, fees, books, and supplies) for a resident student are $750, resulting in Wayne's Assistance Needed of $2,900. Wayne needs aid equivalent to the school's direct educational expenses, as well as $2,150 ($-2,220 + $70) in aid to meet maintenance expenses.

ACT processed the Family Financial Statement on March 21, 1974.

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT—1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

1

NAME AND ADDRESS	SOCIAL SECURITY NO.	SEX	DATE OF BIRTH	DEGREE OBJECTIVE	APPLICANT'S GRADE LEVEL	APPLICANT IS	NUMBER OF DEP. CHILDREN	OTHER DEPENDENTS
WILLIAMS, WAYNE A 275 DODGE STREET PEORIA, ILL 30962	000-00-0000	MALE	06-22-49	MASTERS	17TH	MARRIED	2	2

NUMBER OF APPLICATIONS IN THIS YEAR FOR COLLEGE AID	PRIOR APPLICANT?	FULL TIME OR PART TIME?	YEARS APPLIED FOR	IS APPLICANT A U.S. CITIZEN?	SPOUSE FULL TIME?	YEAR SPOUSE GRADUATES	PFS SIGNED BY	DATE PFS WAS SIGNED
1	YES	FULL	74-75	YES	PT	75	ALL	03-15-74

2

MARITAL STATUS OF APPLICANT'S PARENTS	TOTAL NUMBER IN PARENTS' HOUSEHOLD	CHILDREN ATTENDING IN PAST YEAR		MAIN FAMILY EARNER		APPLICANT LIVES WITH PARENTS AT ANY TIME DURING			PARENTS PROVIDE BULK OF MORE TO APPLICANT DURING			PARENTS CLAIM APPLICANT AS A TAX EXEMPTION		
		NUMBER	NUMBER IN COLLEGE	AGE	OCCUPATION	1973?	1974?	1975?	1973?	1974?	1975?	1973?	1974?	1975?
MARRIED	5	0		60	BUS. MGR. (SAL)	NO	NO	NO	YES	YES	YES	NO	NO	NO

3

Family Income	TAX YEAR	JOINT RETURN?	TOTAL NUMBER OF EXEMPTIONS CLAIMED	ADJUSTED GROSS INCOME	IF INCOME FOR THIS PERSON AND INCLUDED IN ADJUSTED GROSS INCOME, WRITE IN THE AMOUNT	FEDERAL INCOME TAX PAID	OTHER INCOME RECEIVED	INTEREST AND CONTRIBUTIONS	MEDICAL OR DENTAL EXPENSES, CASUALTY OR THEFT LOSSES	ESTIMATED YEAR	ESTIMATED INCOME NEXT YEAR
PARENTS	1973	YES	4	10115		924				1974	11000
APPLICANT & SPOUSE	1973	YES	4	3000		0				74-5	1000

Family Assets	VALUE OF PARENTS' HOME MINUS MORTGAGE	PARENTS' INVESTMENTS, REAL ESTATE, AND SAVINGS	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	APPLICANT'S PRIMARY ASSETS	APPLICANT'S OTHER ASSETS
	8000	800			0	

Other Applicant Information	DOES APPLICANT INCLUDE HIMSELF OR HER?	IS APPLICANT A VETERAN?	HE OR SHE GRADUATES
	NO	YES	YES

SOCIAL SECURITY MONTHLY AMOUNT	NUMBER OF MONTHS	VETERAN'S BENEFITS MONTHLY AMOUNT	NUMBER OF MONTHS	OTHER ASSISTANCE TO BE RECEIVED	TOTALING
		136	12		3792

REVISION AS OF MAY AND JUNE 20, 1974

DEPENDENT STUDENT RESOURCES	
SUMMER SAVINGS	
ASSETS (+ BY POST HIGH YEARS REMAINING)	
TOTAL FROM SOCIAL SECURITY VETERAN'S BENEFITS AND OTHER ASSISTANCE	
OTHER	
TOTAL	

BUDGET ANALYSIS		COMMUTING STUDENT	RESIDENT STUDENT	
[illegible]			750	
[illegible]	NET		-2150	
[illegible]	NET		2900	

* TO NEAREST $25

Financial Need Analysis

MODEL DEPENDENT MARRIED

4

ANALYSIS FOR	PARENTS	STUDENT
BASE YEAR/ESTIMATED YEAR	1973	74-5
TOTAL INCOME	10115	4792
FAMILY SIZE ALLOWANCE	6960	6960
FEDERAL INCOME TAX	924	0
DEDUCTIONS ALLOWANCE	910	0
HOUSEKEEPING ALLOWANCE	0	0
SOCIAL SECURITY TAX	592	59
= AVAILABLE INCOME	729	-2227
EDUCATIONAL CONTRIBUTION	255	-2227
NUMBER IN COLLEGE	1	1
CONTRIBUTION FROM INCOME	255	-2227
PARENTS' HOME EQUITY	8000	-
PARENTS' INVESTMENTS (REAL ESTATE AND SAVINGS)	800	
NET VALUE OF PARENTS' FARM OR BUSINESS		
PARENTS' OTHER ASSETS		
NET ASSETS OF APPLICANT (AND SPOUSE) (SELF SUPPORTING ONLY)		
= NET ASSETS	8800	0
RETIREMENT ALLOWANCE	18954	
= AVAILABLE ASSETS	-10154	0
AVAILABLE INCOME INCLUDING ASSETS	= 508	
EXPECTATION FROM ASSETS	- 178	
NUMBER IN COLLEGE (DEPENDENT ONLY)	1	
CONTRIBUTION FROM ASSETS	- 178	0
ADJUSTED AVAILABLE INCOME	221	
TOTAL CONTRIBUTION	70	-2220

NOTES

5

P-DATE 032174 SEQ. NUMBER 00145
BATCH/STACK 01931234

BEST COPY AVAILABLE

Marcia Demar

The information in Section 1 of Marcia's CFAR is similar to that found in previous sample cases, except that Marcia neglected to indicate whether she is a U.S. citizen (Block Q on FFS). ACT assumes she is a U.S. citizen, as shown by Comment 08 in the Notes section.

Section 2 shows that Marcia's father is a 45-year-old widower, and that he owns his own business. There are five members of the household, and Marcia is dependent upon her father for support.

Section 3 shows 1973 as Base Year, and Adjusted Gross Income of $18,516, Federal Income Tax Paid as $2,400, and $1,170 in Interest and Contributions. Mr. Demar estimates his 1974 Income to be the same as his 1973 Income.

Since the school that Marcia has chosen expects most of its students to be commuters (Section *L* of the Budget Questionnaire, Appendix 8), in the analysis Marcia was maintained 0 months in the institutional budget, and 12 months at home. (See Comment 94 in Notes section.) Thus in Section 4 a Family Size Allowance of $8,040 is given (reflecting 50 Family Member Months). The Federal Income Tax of $2,400 is as Mr. Demar indicated on the FFS (Section 3 of the CFAR).

Mr. Demar itemized deductions on his Federal Income Tax Return. The ACT Allowable Deductions are therefore found by subtracting Interest and Contributions ($1,170 in Section 2) from his total itemized deductions. His total itemized deductions are found by multiplying exemptions claimed (Section 3) by $750 (5 x $750 = $3,750) and adding the total to Net Taxable Income ($11,840, as found from Tax Paid—see Table 5, Appendix 14), then subtracting the total ($3,750 + $11,840 = $15,590) from Adjusted Gross Income. This results in total Federal Tax Deductions of $2,926 ($18,516 - $15,590 = $2,926). Subtracting Contributions and Interest (not allowed in the ACT system) from total Deductions ($2,926 - $1,170) results in ACT Allowable Deductions of $1,756.

Since this is a one-parent family, Mr. Demar is entitled to a Housekeeping Allowance of one-half the earned income, or $1,500, whichever is less. Thus, a Housekeeping Allowance of $1,500 is given, and indicated by Comment 80 in the Notes section.

Mr. Demar is a business owner, and self-employed. Thus a self-employment tax (.080 of first $10,800 of AGI in 1973) is utilized instead of Social Security Tax. Mr. Demar's tax is $864. This is brought to the administrator's attention by Comment 93 in the Notes section.

When all the allowances are deducted from the Adjusted Gross Income, the Available Income is $3,956.

Mr. Demar has Net Assets of $63,838 (adding $12,550 Home Equity, $30,188 Investments, Real Estate, and Savings, and $21,100 Net Value of Business). A Retirement Allowance of $8,985 is subtracted from Net Assets and results in Available Assets of $54,853, which yields an Available Income Increment of $4,179.

When Available Income and Available Income Increment are added, an Adjusted Available Income of $8,135 results, which yields a total Parents' Contribution of $3,330. The PC of $3,330 is added to Marcia's Resources of $1,000 to obtain the Total Family Contribution of $4,330, which is shown in the Commuting Student column in the Budget Analysis section. Because the Total Family Contribution exceeds the Commuting Student Budget (which consists of direct student costs: tuition, fees, books, and supplies), the Assistance Needed is zero. The Resident Student column shows the Total Family Contribution and Assistance Needed as if Marcia were maintained 9 months in the school budget and 3 months at home, as requested on the Budget Questionnaire from the school.

ACT processed the FFS on January 28, 1974.

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT—1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

1

NAME AND ADDRESS	SOCIAL SECURITY NO	SEX	DATE OF BIRTH	DEGREE OBJECTIVE	APPLICANT'S GR LEVEL '74-'75	APPLICANT IS	NUMBER OF DEP CHILDREN	OTHER DEPENDENTS
DEMAR, MARCIA 125 DIANA DRIVE PORTALES, NM 88130	000-00-0000	FEM	12-21-53	FOUR YEAR	15TH	SINGLE		

NUMBER OF LAST SCHOOLS REPORTED ON THIS REPORT	PRIOR APPLICANT	FULL TIME OR PART TIME?	TERM(S) APPLIED FOR	APPLICANT IS U.S. CITIZEN?	SPOUSE FULL TIME?	YEAR SPOUSE GRADUATES	FFS SIGNED BY	DATE FFS WAS SIGNED
1	YES	FULL	74-75				FA	01-24-74

2

MARITAL STATUS OF APPLICANT'S PARENTS	TOTAL NUMBER IN PARENTS' HOUSEHOLD	NUMBER	NUMBER EARNING INCOME	AGE	MAIN FAMILY EARNER OCCUPATION	APPLICANT LIVES WITH PARENTS AT ANY TIME DURING 1973	1974	1975	PARENTS PROVIDED $400 OR MORE TO APPLICANT DURING 1973	1974	1975	PARENTS CLAIM APPLICANT AS A TAX EXEMPTION 1973	1974	1975
WIDOWER	5	0		45	BUSINESS OWNER	YES	YES	NO	YES	YES	YES	YES	YES	YES

3

Family Income	TAX YEAR	JOINT RETURN?	TOTAL NUMBER OF EXEMPTIONS CLAIMED	ADJUSTED GROSS INCOME	IF INCOME FOR THIS PERIOD WAS NOT ADJUSTED BY INCLUDING ANY OF THE FOLLOWING	FEDERAL INCOME TAX PAID	OTHER INCOME RECEIVED	INTEREST AND CONTRIBUTIONS	MEDICAL OR DENTAL EXPENSES CASUALTY OR THEFT LOSSES	ESTIMATED YEAR	ESTIMATED INCOME AMOUNT
PARENTS	1973	NO	5	18516		2400	0	1170		1974	18516
APPLICANT & SPOUSE	1973	NO	1	832		0				1974	800

Family Assets	VALUE OF PARENTS' HOME MORTGAGE	PARENTS' INVESTMENTS REAL ESTATE AND SAVINGS	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	APPLICANT'S PRIMARY ASSETS	APPLICANT'S OTHER ASSETS
	12550	30188	21100		1200	

Other Applicant Information	DOES APPLICANT RECEIVE WELFARE OR AID?	IS APPLICANT A VETERAN?	HS OR GED GRADUATE?
	NO	NO	YES

4

SOCIAL SECURITY MONTHLY AMOUNT	NUMBER OF MONTHS	VETERAN'S BENEFITS MONTHLY AMOUNT	NUMBER OF MONTHS	OTHER HOUSEHOLD INCOME TO BE RECEIVED	TOTALING
					BETWEEN JULY 1974 AND JUNE 30, 1975

Financial Need Analysis

MODEL DEPENDENT STUDENT

ANALYSIS FOR	PARENTS	PARENTS
BASE YEAR/ESTIMATED YEAR	1973	1974
TOTAL INCOME	18516	18516
FAMILY SIZE ALLOWANCE	8040	8040
FEDERAL INCOME TAX	2400	2400
DEDUCTIONS ALLOWANCE	1756	1756
HOUSEKEEPING ALLOWANCE	1500	1500
SOCIAL SECURITY TAX	864	960
= AVAILABLE INCOME	3956	3860
EDUCATIONAL CONTRIBUTION	1443	1407
NUMBER IN COLLEGE	1	1
CONTRIBUTION FROM INCOME	1443	1407

PARENTS' HOME EQUITY	12550	12550
PARENTS' INVESTMENTS REAL ESTATE AND SAVINGS	30188	30188
NET VALUE OF PARENTS' FARM OR BUSINESS	21100	21100
PARENTS' OTHER ASSETS	0	0
NET ASSETS OF APPLICANT AND SPOUSE (SELF SUPPORTING ONLY)		
+ NET ASSETS	63838	63838
RETIREMENT ALLOWANCE	8985	9062
= AVAILABLE ASSETS	54853	54776
AVAILABLE INCOME INCREMENT	4179	4145
EXPECTATION FROM ASSETS	1894	1856
NUMBER IN COLLEGE (DEPENDENT ONLY)	1	1
CONTRIBUTION FROM ASSETS	1894	1856

ADJUSTED AVAILABLE INCOME	8135	8005
TOTAL PARENTS' CONTRIBUTION	3330	3260

DEPENDENT STUDENT RESOURCES	
SUMMER SAVINGS	400
ASSETS (1-2-3+ POST HIGH YEARS REMAINING)	600
TOTAL FROM SOCIAL SECURITY VETERAN'S BENEFITS AND OTHER ASSISTANCE	0
OTHER	
TOTAL	1000

BUDGET ANALYSIS		COMMUTING STUDENT	RESIDENT STUDENT	
COLLEGE OR SCHOOL BUDGET		2700	5400	
TOTAL FAMILY CONTRIBUTION BUDGET	ACT	4330	4960	
		0	450	
LOANS AND PERSONAL	ACT			

* TO NEAREST $25

NOTES

ASSUMED APPLICANT IS A U.S. CITIZEN	08
HOUSEKEEPING ALLOWANCE USED IN ANALYSIS	80
PARENTS WIDOWED	89
SELF-EMPLOYMENT TAX IN CALCULATION	93
APPLICANT MAINTAINED 12 MONTHS AT HOME	94

5

P-DATE 012874 SEQ. NUMBER 00146
BATCH/STACK 01931235

BEST COPY AVAILABLE

Burton G. Miller

In Section 1 of Burton's CFAR, it can be seen that the FFS was signed by Burton, his father, and his mother on December 31, 1973, before his parents had filed their 1973 Federal Income Tax Return.

Burton's parents are married and own a farm. The main family earner is 60 years old. They contribute to Burton's support and claim him as an exemption, but he does not now live with them. There is one other household member who does not attend a post-high school educational institution.

Since the Millers have not yet paid their 1973 taxes, their Base Year for the purpose of the analysis is 1972 (see Chapter 5, p. 27). Mr. and Mrs. Miller filed a joint return for 1972, reporting an Adjusted Gross Income of $4,800, Federal Taxes of $150, and claimed four exemptions. The Adjusted Gross Income includes $800 as a second income. The Millers' 1974 Income is estimated to be $5,000.

Their major Asset is the farm with a net value of $59,500, and they have Savings and Investments totaling $15,500.

Burton will file as a single person on his tax return for 1973, reporting Income of $450, no tax, and himself as the only exemption. (Since Burton is a full-time student, both he and his parents may claim him as an exemption.) Burton's 1974 Income is estimated to be $450 again, and he has primary assets of $200.

Burton is clearly dependent upon his parents; therefore, the Model "D" (Dependent) analysis is used. The Base Year is 1972, and Total Income is $4,800. The Family Size Allowance is $5,970 (maintaining Burton for 3 months at home since the school budget maintains him for 9 months). Federal tax is $150, and the deductions allowance is $780 (minimum allowance when deductions are not itemized). Because both parents work, a Housekeeping Allowance of $400 is included (50% of lesser income).

Social Security tax on the second income is $42 (.052 of $800). A self-employment tax of $300 (.075 of first $9,000 in 1972) on the farm income is included in the Social Security tax, totaling $342. The Available Income is $-2,842 ($4,800 - $5,970 - $150 - $780 - $400 - $342).

The Millers' Net Assets total $75,000 ($15,500 + $59,500). The Retirement Allowance (taken from $0 in Table 3-A, Appendix 12, since Available Income is negative) amounts to $19,120. The Millers' Available Assets are $55,880 ($75,000 - $19,120). The Available Income Increment is $3,237.

The addition of the Available Income and the Available Income Increment results in an Adjusted Available Income of $395 ($-2,842 + $3,237).

The Total Parents' Contribution is $130 (dropping the unit's digit).

The school expects Burton to save $600 of his summer earnings. When this amount is added to all of Burton's primary Assets (since he has only 1 year of school remaining), his total Resources come to $800.

Burton's $800 plus his parents' $130 equals a Total Family Contribution of $930, which, when subtracted from the Resident Student Budget, results in Assistance Needed of $1,275. The TFC of $800 in the Commuting Student column of the Budget Analysis results in a $0 PC if Burton is maintained in the school budget for 0 months and at home for 12 months.

ACT processed the FFS on January 6, 1974.

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT—1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

	NAME AND ADDRESS	SOCIAL SECURITY NO.	SEX	DATE OF BIRTH	DEGREE OBJECTIVE	APPLICANT'S ED. LEVEL	APPLICANT IS	NUMBER OF DEPENDENTS	OTHER DEPENDENTS
1	MILLER, BURTON G RURAL RT. 1 FORT SCOTT, KANSAS 52611	000-00-0000	MALE	03-14-51	MASTERS	16TH	SINGLE		

NUMBER OF DEPENDENTS IN HIGH SCHOOL	PRIOR APPLICANT	FULL TIME OR PART TIME	PRIMARY APPLICATION	APPLICANT A CO-OPERATOR	SPOUSE FULL TIME?	YEAR SPOUSE GRADUATES	FPS SECURED BY	DATE FPS WAS SIGNED
1	YES	FULL	74-75	YES			FMA	12-31-73

	MARITAL STATUS OF APPLICANT'S PARENTS	TOTAL NUMBER IN PARENTS' HOUSEHOLD	NUMBER	NUMBER IN COLLEGE	MAIN FAMILY EARNER AGE	OCCUPATION	APPLICANT LIVES WITH PARENTS AT ANY TIME DURING 1973	1974	1975	PARENTS PROVIDE BULK OF MONEY TO APPLICANT DURING 1973	1974	1975	PARENTS CLAIM APPLICANT AS A TAX EXEMPTION 1973	1974	1975
2	MARRIED	4	0		60	FARM OWNER	NO	NO	NO	YES	YES	YES	YES	YES	YES

Family Income	TAX YEAR	JOINT RETURNS	TOTAL NUMBER OF EXEMPTIONS CLAIMED	ADJUSTED GROSS INCOME	TAX-EXEMPT INTEREST INCOME	FEDERAL INCOME TAX PAID	OTHER INCOME RECEIVED	INTEREST AND CONTRIBUTIONS	MEDICAL OR DENTAL EXPENSES EXCLUDED IF THEFT LOSSES	ESTIMATED YEAR	ESTIMATED INCOME AMOUNT
PARENTS	1972	YES	4	4800	800	150				1974	5000
APPLICANT & SPOUSE	1973	NO	1	450		0				1974	450

3

Family Assets	VALUE OF PARENTS' HOME OWNED WITHOUT MORTGAGE	PARENTS' INVESTMENTS REAL ESTATE AND SAVINGS	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	APPLICANT'S PRIMARY ASSETS	APPLICANT'S OTHER ASSETS
	0	15500	59500		200	

Other Applicant Information	DOES APPLICANT RECEIVE WELFARE AID?	IS APPLICANT A VETERAN	IS OR CAN GRADUATE
	NO	NO	YES

	SOCIAL SECURITY MONTHLY AMOUNT	SOCIAL SECURITY NUMBER OF MONTHS	VETERAN'S BENEFITS MONTHLY AMOUNT	VETERAN'S BENEFITS NUMBER OF MONTHS	OTHER ASSISTANCE TO BE RECEIVED	TOTALING

DEPENDENT STUDENT RESOURCES	
SUMMER SAVINGS	600
ASSETS (-UP POST HIGH YEARS REMAINING)	200
TOTAL FROM SOCIAL SECURITY VETERAN'S BENEFITS AND OTHER ASSISTANCE	0
OTHER	
TOTAL	800

BUDGET ANALYSIS		COMMUTING STUDENT	RESIDENT STUDENT	
COLLEGE COSTS		750	2200	
TOTAL FAMILY CONTRIBUTION	ACT	800	930	
LOAN CAPACITY*	ACT	0	1275	

* TO NEAREST $25

Financial Need Analysis

MODEL DEPENDENT STUDENT

4

ANALYSIS FOR	PARENTS	PARENTS
BASE YEAR: ESTIMATED YEAR	1972	1974
TOTAL INCOME	4800	5000
FAMILY SIZE ALLOWANCE	5970	5970
FEDERAL INCOME TAX	150	156
DEDUCTIONS ALLOWANCE	780	780
HOUSEKEEPING ALLOWANCE	40	400
SOCIAL SECURITY TAX	42	382
= AVAILABLE INCOME	-2842	-2688
EDUCATIONAL CONTRIBUTION	0	0
NUMBER IN COLLEGE	1	1
CONTRIBUTION FROM INCOME	0	0
PARENTS HOME EQUITY	0	0
PARENTS' INVESTMENTS REAL ESTATE AND SAVINGS	15500	15500
NET VALUE OF PARENTS' FARM OR BUSINESS	59500	59500
PARENTS OTHER ASSETS		
NET ASSETS OF APPLICANT AND SPOUSE SELF SUPPORTING ONLY		
= NET ASSETS	75000	75000
RETIREMENT ALLOWANCE	19120	19120
= AVAILABLE ASSETS	55880	55880
AVAILABLE INCOME INCREMENT	3237	3238
EXPECTATION FROM ASSETS	138	192
NUMBER IN COLLEGE DEPENDENT ONLY	1	1
CONTRIBUTION FROM ASSETS	138	192
ADJUSTED AVAILABLE INCOME	395	550
TOTAL PARENTS' CONTRIBUTION	130	190

NOTES

HOUSEKEEPING ALLOWANCE USED IN ANALYSIS	80
SELF-EMPLOYMENT TAX IN CALCULATION	93
APPLICANT MAINTAINED 3 MONTHS AT HOME	94

5

P-DATE 010674 SEQ. NUMBER 01035
BATCH/STACK 02017003

BEST COPY AVAILABLE

Anne Mercer

Data in the first section of Anne's CFAR are generally comparable to the other sample cases.

Anne's mother is a 50-year-old widow who receives her income from sources other than wages or salary, business or farm. She contributes to Anne's support, but does not file a Federal Income Tax Return. Anne indicates that she is not living with her mother. She is the only one of the five household members who is in post-high school education.

Since Anne receives support from her mother, she is considered a dependent student and therefore part of the household, even though she has stated that she does not live with her mother.

The only income received by Anne's mother is $3,450 from a nontaxable source. No tax return was filed since Mrs. Mercer had no taxable earnings during 1973. She has estimated her 1974 income to be $3,450, the exact amount that was received during 1973.

Anne filed as a single person on her tax return for 1973, listing an adjusted gross income of $360, no tax, and one exemption. Anne estimates she will have no income during 1974, other than $558 in Social Security benefits.

Neither Anne nor her mother has any net assets.

Mrs. Mercer's Total Income was $3,450. The Family Size Allowance is $7,230 (including 3 months of maintenance in the home for Anne, since resident students are maintained in this institution's budget for 9 months). A "nontaxable allowance" of $780 is used in the analysis, since all of Mrs. Mercer's income is nontaxable (see CFAR Comment 90, Appendix 16). No Housekeeping Allowance is given, because Mrs. Mercer is not working away from the home. Available Income is $-4,560.

Because Mrs. Mercer's Available Income is negative, the Retirement Allowance is computed from zero (see Table 3-B, Appendix 12), and amounts to $12,690. This results in Available Assets of $-12,690, and an Available Income Increment of $-635.

Mrs. Mercer's Adjusted Available Income is $-5,195, which results in a Total Parents' Contribution of zero. Since the aid administrator may find it useful to rank applicants with a zero parental contribution, ACT has provided two indices for doing so. In the Notes section of the CFAR is an item labeled "AAI Per Capita." This is the negative Adjusted Available Income divided by the number of family members, and for the Mercers amounts to $-1,039. This figure enables the aid administrator to see the relative financial strength of zero parental contribution families. Anne's need is, therefore, greater than the need of an applicant with an AAI Per Capita of, for instance, $-500.

In addition, ACT's former Negative Contribution Index, while not so sensitive as the AAI Per Capita, may still be used by schools which prefer it. The NCI is derived from the formula 10 + .009(AAI Per Capita). In Anne's case the NCI is 1. (NCIs run from 1 for the "most needy" to 10 for the "least needy" of those who have zero parental contribution.)

Anne' Resources amount to $300 from summer savings, as established by her school, and $558 in Social Security benefits, totaling $850 when the unit's digit is dropped. When this is added to the parental contribution of zero, the Total Family Contribution becomes $850. While the budgets for commuting and resident students differ, the total family contribution is the same since parental contribution is zero in both instances.

The Notes section of the CFAR contains comments by ACT on the procedures used in the analysis. The comments show that no tax return has been filed, and as a consequence, no base year established. Thus, ACT assumed the base year from the data provided by the Mercers. The last two comments show that Mrs. Mercer is a widow, and that the special nontaxable allowance was used in the analysis.

ACT processed the Family Financial Statement on February 4, 1974.

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT—1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

1

NAME AND ADDRESS	SOCIAL SECURITY NO.	SEX	DATE OF BIRTH	DEGREE OBJECTIVE	APPLICANT'S GRADE LEVEL 74-75	APPLICANT IS	NUMBER OF DEP. CHILDREN	OTHER DEPENDENTS
MERCER, ANNE 44 W. LECLAIR ATLANTA, GA 48322	000-00-0000	FEM	06-23-55	TWO YEAR	13TH	SINGLE		

NUMBER OF APPLICANT'S DEPENDENTS IN HIGH SCHOOL OR COLLEGE THIS YEAR	PRIOR APPLICANT	FULL TIME OR PART TIME?	TERMINAL APPLIED FOR	IS APPLICANT A U.S. CITIZEN?	SPOUSE FULL TIME?	YEAR SPOUSE GRADUATED	FFS SIGNED BY	DATE FFS WAS SIGNED
1	NO	FULL	74-75	YES			MA	01-30-74

2

MARITAL STATUS OF APPLICANT'S PARENTS	TOTAL NUMBER IN PARENTS' HOUSEHOLD	PARENTS' HOUSEHOLD MEMBERS WHO ARE NOT DEPENDENTS AT SCHOOL			MAIN FAMILY EARNER		APPLICANT LIVES WITH PARENTS AT ANY TIME DURING			PARENTS PROVIDE BASIC OR MORE TO APPLICANT DURING			PARENTS CLAIM APPLICANT AS A TAX EXEMPTION		
		NUMBER	INCOME AT HOME	AGE	OCCUPATION		1973	1974	1975	1973	1974	1975	1973	1974	1975
WIDOW	5	0		50	DOES NOT APPLY		NO	NO	NO	YES	YES	YES	NO	NO	NO

3

Family Income	TAX YEAR	JOINT RETURN?	TOTAL NUMBER OF EXEMPTIONS CLAIMED	ADJUSTED GROSS INCOME	IF INCOMES FOR TAX YEARS ARE INCLUDED IN NEGATIVE LISTS, INCLUDE ONLY ONE, ONLY OF THE LIST	FEDERAL INCOME TAX PAID	OTHER INCOME RECEIVED	INTEREST AND CONTRIBUTIONS	MEDICAL OR DENTAL EXPENSES CASUALTY OR THEFT LOSSES	ESTIMATED YEAR	ESTIMATED INCOME AMOUNT
PARENTS							3450			1974	3450
APPLICANT & SPOUSE	1973	NO	1	360		0	0			1974	0

Family Assets	VALUE OF PARENTS' HOME MINUS MORTGAGE	PARENTS' INVESTMENTS IN REAL ESTATE AND SAVINGS	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS
	0	0	0	0

APPLICANT'S PRIMARY ASSETS	APPLICANT'S OTHER ASSETS
0	0

Other Applicant Information	DOES APPLICANT RECEIVE VETERAN BENEFIT	IS APPLICANT A VETERAN	HS OR GED GRADUATE
		NO	YES

SOCIAL SECURITY MONTHLY AMOUNT	SOCIAL SECURITY NUMBER OF MONTHS	VETERAN'S BENEFITS MONTHLY AMOUNT	VETERAN'S BENEFITS NUMBER OF MONTHS	OTHER ASSISTANCE TO BE RECEIVED	TOTALING
62	9				558

BETWEEN JULY 1, 1974 AND JUNE 30, 1975

DEPENDENT STUDENT RESOURCES

SUMMER SAVINGS	300
ASSETS (+ BY POST-HIGH YEARS REMAINING)	0
TOTAL FROM SOCIAL SECURITY VETERAN'S BENEFITS AND OTHER ASSISTANCE	558
OTHER	
TOTAL	850

BUDGET ANALYSIS

		COMMUTING STUDENT	RESIDENT STUDENT	
TOTAL COST OF SCHOOL YEAR		750	1850	
TOTAL FAMILY CONTRIBUTION	ACT	850	850	
TOTAL NEEDED	ACT	0	1000	

◆ TO NEAREST $25

Financial Need Analysis

MODEL DEPENDENT STUDENT

4

ANALYSIS FOR	PARENTS	PARENTS
BASE YEAR/ESTIMATED YEAR	1973	1974
TOTAL INCOME	3450	3450
FAMILY SIZE ALLOWANCE	7230	7230
FEDERAL INCOME TAX	0	0
DEDUCTIONS ALLOWANCE	780	780
HOUSEKEEPING ALLOWANCE	0	0
SOCIAL SECURITY TAX	0	0
= AVAILABLE INCOME	-4560	-4560
EDUCATIONAL CONTRIBUTION	0	0
NUMBER IN COLLEGE	1	1
CONTRIBUTION FROM INCOME	0	0
PARENTS' HOME EQUITY	0	0
PARENTS' INVESTMENTS IN REAL ESTATE AND SAVINGS	0	0
NET VALUE OF PARENTS' FARM OR BUSINESS	0	0
PARENTS' OTHER ASSETS	0	0
NET ASSETS OF APPLICANT AND SPOUSE (SELF SUPPORTING ONLY)		
+ NET ASSETS	0	0
RETIREMENT ALLOWANCE	12690	12690
+ AVAILABLE ASSETS	-12690	-12690
AVAILABLE INCOME INCLUDING ASSETS	- 635	- 635
EXPECTATION FROM ASSETS	0	0
NUMBER IN COLLEGE (DEPENDENT ONLY)	1	1
CONTRIBUTION FROM ASSETS	0	0
AVAILABLE ANALYSIS INCOME	- 5195	- 5195
TOTAL PARENTS' CONTRIBUTION	0	0

NOTES

BASE YEAR ASSUMED FROM DATA	19
APPARENTLY NO TAX RETURN EVER FILED	50
PARENTS WIDOWED	89
NON-TAXABLE ALLOWANCE IN ANALYSIS	90
APPLICANT MAINTAINED 3 MONTHS AT HOME	94

NEGATIVE CONTRIBUTION INDEX: 1

AAI PER CAPITA = $-1039

5

P-DATE 020674 SEQ. NUMBER 001036
BATCH/STACK 02017004

BEST COPY AVAILABLE

Richard Norris

Richard is an 18-year-old single male freshman. He will be a full-time student during the 1974-75 academic year, and plans to obtain a 2-year degree. He and his mother signed his FFS on January 30, 1974.

Richard's mother is a 50-year-old widow who derives most of her income from her job as a typist/secretary. She contributed to Richard's support in 1973 and claimed him as a tax exemption on her 1973 Federal Income Tax Return. She will not claim him on her 1974 and 1975 returns, and Richard is not now living with her. Richard is the only family member in post-high school education, but his mother must provide support for eight other members of the household.

Since Richard's mother contributed to his support and claimed him as a tax exemption in 1973, a dependent student model is used for the analysis in Section 4 of the CFAR.

The Base Year is 1973. The parents' Total Income is $8,657 ($8,406 Adjusted Gross Income plus $251 "Other Income"). The Family Size Allowance is $11,220 (111 Family Member Months—see Comment 94). Mrs. Norris paid no income tax because of the number of exemptions claimed (Section 3). The deductions allowance of $780 is the minimum allowed in the ACT system when deductions are not itemized (see Chapter 5, Figure 1). A Housekeeping Allowance of $1,500 is made because the household does not have the advantage of a nonworking spouse (indicated in the Notes section by Comment 80). Social Security payments totaled $492 (.0585 x $8,406).

These allowances result in a negative Available Income of $-5,335 ($8,567 - $11,220 - $780 - $1,500 - $492).

The Norris family has no assets. Thus, when the Retirement Allowance of $12,690 (taken from zero Available Income in Table 3-B, Appendix 12) is made, it results in Available Assets of $-12,690, which yields an Available Income Increment of $-635 (.05 x $-12,690).

The Adjusted Available Income is thus $-5,970 and, since it is a negative number, results in a total PC of zero.

In the Notes section the AAI Per Capita is $-597 (Adjusted Available Income divided by number of family members). The Negative Contribution Index is 5.

Richard will receive a total of $504 in Social Security benefits in 1974-75, and when this is added to his Summer Savings of $400 in the Dependent Student Resources section, his total resources become $900 (rounding to next lower ten dollars). Thus the Total Family Contribution of $900 consists, in this case, entirely of Richard's resources.

Because the PC is zero whether Richard is maintained 3 months at home or 12 months at home, the Total Family Contribution is the same for both the Commuting Student budget and the Resident Student budget. For the Resident Student budget, Richard's Assistance Needed is $1,300, and for the Commuting Student budget, Assistance Needed is zero.

ACT processed the FFS on February 6, 1974.

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT—1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

NAME AND ADDRESS	SOCIAL SECURITY NO.	SEX	DATE OF BIRTH	DEGREE OBJECTIVE	APPLICANT'S RELIGIOUS TIES	APPLICANT IS		
NORRIS, RICHARD 324 FOOTHILL BLVD. SALINAS, CALIFORNIA 84417	000-00-0000	MALE	06-22-55	TWO YEAR	13TH	SINGLE		

NUMBER IN COLLEGE	FIRST APPLICANT	FULL-TIME OR PART-TIME	TERMS ENROLLED	IS APPLICANT A US CITIZEN	MARITAL STATUS	YEAR SPOUSE GRADUATED	HS DIPLOMA BY	DATE HS DIPLOMA WAS SIGNED
1	NO	FULL	74-75	YES			MA	01-30-74

MARITAL STATUS OF APPLICANT'S PARENTS	TOTAL NUMBER IN PARENTS' HOUSEHOLD	NUMBER	NUMBER	AGE	MAIN FAMILY EARNER OCCUPATION	1973	1974	1975	1973	1974	1975	1973	1974	1975
WIDOW	10	0		50	TYPIST/SECRETARY	NO	NO	NO	YES	NO	NO	YES	NO	NO

Family Income	TAX YEAR	JOINT RETURNS	TOTAL NUMBER OF EXEMPTIONS CLAIMED	ADJUSTED GROSS INCOME	A NEGATIVE FIGURE IN THIS COLUMN	FEDERAL INCOME TAX PAID	OTHER INCOME RECEIVED	INTEREST AND CONTRIBUTIONS	MEDICAL OR DENTAL EXPENSES, CASUALTY OR THEFT LOSSES	ESTIMATED YEAR	ESTIMATED INCOME AMOUNT
PARENTS	1973	NO	10	8406		0	251			1974	8000
APPLICANT & SPOUSE	1973	NO	1	364		0				1974	300

Family Assets	VALUE OF PARENTS' HOME MINUS MORTGAGE	PARENTS' INVESTMENTS, REAL ESTATE AND SAVINGS	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	APPLICANT'S PRIMARY ASSETS	APPLICANT'S OTHER ASSETS
	0	0	0	0	0	0

Other Applicant Information	BORN APPLICANT RECEIVED HIGHER DEGREE?	IS APPLICANT A VETERAN	HS OR GED GRADUATE?
	NO	NO	YES

	SOCIAL SECURITY MONTHLY AMOUNT	SOCIAL SECURITY NUMBER OF RECIPIENTS	VETERAN'S BENEFITS MONTHLY AMOUNT	VETERAN'S BENEFITS NUMBER OF RECIPIENTS	OTHER ASSISTANCE TO BE RECEIVED	TOTALING
	56	9				504

INDEPENDENT STUDENT'S RESOURCES	
SUMMER SAVINGS	400
ASSETS (+ BY POST HIGH YEAR REMAINING)	
TOTAL FROM SOCIAL SECURITY, VETERAN'S BENEFITS, AND OTHER ASSISTANCE	504
OTHER	
TOTAL	900

		Dependent Student	Independent Student	
		750	2200	
	ACT	900	900	
	ACT	0	1300	

* TO NEAREST $25

Financial Need Analysis

MODEL DEPENDENT STUDENT

	PARENTS	PARENTS
APPLIES FOR		
BASE YEAR/ESTIMATED YEAR	1973	1974
TOTAL INCOME	8657	8000
FAMILY SIZE ALLOWANCE	11220	11220
FEDERAL INCOME TAX	0	0
DEDUCTIONS ALLOWANCE	780	780
HOUSEKEEPING ALLOWANCE	1500	1500
SOCIAL SECURITY TAX	492	468
= AVAILABLE INCOME	-5335	-5968
EDUCATIONAL CONTRIBUTION	0	0
NUMBER IN COLLEGE	1	1
CONTRIBUTION FROM INCOME	0	0
PARENTS HOME EQUITY	0	0
PARENTS' INVESTMENTS, REAL ESTATE AND SAVINGS	0	0
NET VALUE OF PARENTS' FARM OR BUSINESS	0	0
PARENTS' OTHER ASSETS	0	0
NET ASSETS OF APPLICANT AND SPOUSE (SELF SUPPORTING ONLY)		
+ NET ASSETS	0	0
RETIREMENT ALLOWANCE	12690	12690
= AVAILABLE ASSETS	-12690	-12690
AVAILABLE INCOME INCREMENT	- 635	- 635
EXPECTATION FROM ASSETS	0	0
NUMBER IN COLLEGE (DEPENDENT ONLY)	1	1
CONTRIBUTION FROM ASSETS	0	0
ADJUSTED AVAILABLE INCOME	-5970	-6403
TOTAL PARENTS' CONTRIBUTION	0	0

NOTES

HOUSEKEEPING ALLOWANCE USED IN ANALYSIS	80
PARENTS WIDOWED	89
APPLICANT MAINTAINED 3 MONTHS AT HOME	94
AAI PER CAPITA = $-597	
NEGATIVE CONTRIBUTION INDEX: 5	

P-DATE 020674 SEQ. NUMBER 001216
BATCH/STACK 02017102

BEST COPY AVAILABLE

APPENDICES

		Page
1	Summary of Forms and Materials Used with the ACT Student Need Analysis Service	63
2A	Instruction/Worksheet for the Family Financial Statement	64
2B	Family Financial Statement	68
3	Comprehensive Financial Aid Report (CFAR)	70
4	Student Financial Aid Report (SFAR)	72
5A	Master File Card	74
5B	Master File Card—Layout Standard Card 1	74
5C	Master File Card—Layout Standard Card 2	74
6	Financial Aid Program Basic Record (Magnetic Tape) Layout	75
7	Financial Need Analysis—List Report	77
8	Budget Questionnaire	78
9	Table 1. Family Size Allowance	82
10	Table 2. Parents' Contribution for Education from an Adjusted Available Income	83
11	Equations Used to Compute Retirement Allowance	90
12	Table 3A. Retirement Allowance—Two Parents	91
	Table 3B. Retirement Allowance—One Parent	96
13	Table 4A. Estimated Federal Income Tax Payments—Unmarried Individuals	101
	Table 4B. Estimated Federal Income Tax Payments—Married Persons Filing Jointly	104
	Table 4C. Estimated Federal Income Tax Payments—Heads of Household	108
	Table 4D. Estimated Federal Income Tax Payments—Married Persons Filing Separate Returns	112
14	Table 5. Net Taxable Income from Tax Paid	116
15	Table 6. Available Income Increment	124
16	CFAR Comments	128
17	Addresses of Regional USOE Offices	135
18	State Programs of Undergraduate Financial Aid	136
19	ACT Consultation Services	138

BEST COPY AVAILABLE

SUMMARY OF FORMS AND MATERIALS USED WITH THE ACT STUDENT NEED ANALYSIS SERVICE

A. Instruction/Worksheet and Family Financial Statement (FFS)—Appendices 2A, 2B

B. Comprehensive Financial Aid Report (CFAR)—Appendix 3

C. Student Financial Aid Report (SFAR)—Appendix 4

The Student Financial Aid Report (SFAR) is generated by the computer at the same time the need analysis is computed and the CFAR is prepared and mailed. The SFAR contains all the information the student and his parents gave on the FFS and is mailed to the student at his home address. The SFAR is designed to:

1. Give the parents and the student an opportunity to verify the information given on the FFS. If an error was made in reporting, the student is instructed to notify both ACT, so that his records can be changed, and the financial aid administrator to whom his CFAR was sent, so that any necessary adjustments can be made. If the error was made by the student, no corrected CFAR is processed unless the student requests it and pays the appropriate fee.

2. Relay messages, selected by the institution, to the student on the SFAR. These currently relate to application or informational procedures.

3. Relay ACT messages to the student on the SFAR regarding questions that may have arisen about the validity of FFS information (i.e., check the income tax paid figure, etc.). There is no charge in this case.

4. Permit the student to request additional CFARs if he or she so desires. A tear-off Additional Report request is attached to the SFAR.

D. Master File Card—Punch Card

An institution may receive, at no cost, one of two punch card formats with each CFAR. The formats are printed at the bottom of the card. A special format is possible.

In addition, the punch card itself has been imprinted so that it may serve as a master file card upon which award information for each student, relevant information for the Federal Operations Report, and other data may be recorded. Thus, the master file card can serve as the data source for all management reports used in the office.

E. Magnetic Tapes—Appendix 6

An institution may at periodic intervals receive upon request computer readable magnetic tape containing all CFAR data accumulated since its last tape. The first tape is cumulative from the beginning of the processing year. The at-cost charge is $50 per tape plus refundable reel deposit ($15 mini-reel, $30 large reel).

F. Financial Need Analysis—List Report—Appendix 7

A cumulative (from the beginning of the processing year) roster is issued on a periodic basis to all institutions receiving ACT CFARs during a given period. This roster gives a good deal of summary information concerning students who have designated the institution to receive a CFAR. In addition, it contains information concerning those students whose FFSs had to be returned because of insufficient or inaccurate information. Students who are renewals and who filed an FFS the previous year are so designated on the roster, and selected need analysis information from the previous year is given. Summary statistics are given at the end of the roster regarding the students listed on it. Blank work columns are available for the use of the financial aid administrator.

The roster is useful for:

1. Maintaining a record of who has filed an FFS and who has not.

2. Identifying students who are potentially eligible for SEOG, NDSL, CWS, or other programs.

3. Enabling the aid administrator to anticipate the demand for uncommitted funds.

4. Recording award information for each student, thus using it as a basic record file.

5. Providing a year-end report of all students who submitted an FFS during the processing year and providing summary statistics for them on the final quarterly roster.

G. The Budget Questionnaire—Appendix 8

The Budget Questionnaire provides the basic budget information used in computing the relative need of a student for a given institution. It is also the form on which the financial aid administrator indicates the choice of several options available in the ACT Need Analysis System (summer earnings, SFAR Comments, output media, billing options, etc.).

242 BEST COPY AVAILABLE

Instruction/Worksheet for the Family Financial Statement

OF THE AMERICAN COLLEGE TESTING PROGRAM 1974-75

GENERAL—TO THE FINANCIAL AID APPLICANT:

You are completing this form as part of the process of students seeking funds for their postsecondary education at institutions in the United States. There is usually not enough money to fill the requests of all the students who make application. Therefore, it is necessary to gather information about the financial circumstances of those applying to best determine how the available funds should be distributed. In general, financial assistance is granted to those who need it most. ACT will process the information you provide and send reports to you and the institutions and agencies of your choice. All information will be treated confidentially.

Every attempt has been made to request only the information that is absolutely necessary. It is important that you complete this form and the Family Financial Statement accompanying it with care. There are no questions on the Family Financial Statement that are unimportant. Respond to all that apply to you. Most of the income information requested is on your U.S. Income Tax Return (Form 1040). If you wish to be considered for every possible form of financial assistance, it is very important that income and asset information be included for your parents and yourself (including your husband or wife if you are married). You need the proper U.S. Tax Forms, knowledge of your other financial matters, and a soft lead pencil. Follow these basic steps:

1. Complete all four pages of this worksheet first. Read and follow the instructions as you proceed.
2. **Then** transfer the information you have placed on pages one, two, and three of this worksheet to the appropriate sections of the enclosed Family Financial Statement. Instructions for transferring the information are contained on page 3 of this worksheet. **Use soft lead pencil.**
3. **Mail this completed worksheet to your first choice school. Additional copies of page 4 are contained in this packet. Complete and mail one of them to each additional school or agency you list on page 3 of this worksheet.**
4. **Mail the Family Financial Statement to ACT** in the envelope provided. *DO NOT FOLD* the Family Financial Statement. **Include the appropriate processing fee (see page 3).** *DO NOT* mail the Instruction/Worksheet to ACT.

A STUDENT APPLICANT'S NAME (last name first)

B STUDENT APPLICANT'S HOME ADDRESS—HOUSE NUMBER AND STREET (where you now receive mail)

Blocks A, B, and C: Student applicant's name (last name first), home address, and home city. Begin in the first box of each block and leave an empty box between the parts of your name, between the parts of your address, and between the parts of your home city (if appropriate).

C STUDENT APPLICANT'S HOME CITY (where you now receive mail)

D STATE CODE (where you now receive mail)

E APPLICANT'S ZIP CODE

F APPLICANT'S SEX — MALE / FEMALE

G APPLICANT'S DATE OF BIRTH — MONTH DAY YEAR BORN

H APPLICANT'S SOCIAL SECURITY NUMBER

I APPLICANT'S EDUCATIONAL LEVEL, FALL 1974

J APPLICANT IS — SINGLE, MARRIED, SEPARATED, DIVORCED, WIDOWED

K NUMBER OF APPLICANT'S DEPENDENT CHILDREN

L NUMBER OF APPLICANT'S OTHER DEPENDENTS INCLUDE APPLICANT AND SPOUSE

M NUMBER OF MEMBERS OF APPLICANT'S HOUSEHOLD WHO WILL BE POST HIGH SCHOOL EDUCATIONAL INSTITUTIONS ON JAN. 1

Block D: Enter the State Code from the list on Side 1 of the Family Financial Statement.

Blocks E-H: Enter the appropriate information.

Block I: 13th year is the first year after high school, etc.

Block J: Enter the appropriate response.

Block K: Enter only children who are dependent on the applicant (and spouse) for more than half of their support.

Block L: Enter the number of other persons dependent on applicant (and spouse) for more than half their support (including applicant and spouse).

Block M: Enter persons included in **Blocks K** and **L** who will be attending post-high school educational institutions during 1974-75 on at least a half-time basis.

Blocks N-S: Enter the appropriate information.

N HAS APPLICANT PREVIOUSLY APPLIED FOR FINANCIAL AID AT A POST HIGH SCHOOL INSTITUTION? — YES / NO

BETWEEN SEPT. 1, 1974 AND MAY 31, 1975 APPLICANT WILL BE — FULL-TIME STUDENT / PART-TIME STUDENT

O WHEN DOES APPLICANT START FINANCIAL AIDS "FIRST" (MARK ONE ANSWER)

P WHAT IS APPLICANT'S FINAL EDUCATIONAL GOAL? (MARK ONE ANSWER)

Q IS APPLICANT A U.S. CITIZEN? — YES / NO

DOES APPLICANT RECEIVE OR WILL HE/SHE RECEIVE GI BILL BENEFITS? — YES / NO

R IS APPLICANT A HIGH SCHOOL OR GED GRADUATE? (Yes/No)

IS APPLICANT A HIGH SCHOOL OR GED GRADUATE? — YES / NO

S FOR MARRIED APPLICANTS ONLY: WHEN THE PERIOD SEPT. 1, 1974 THROUGH MAY 31, 1975 APPLICANT'S SPOUSE WILL BE — FULL-TIME STUDENT / PART-TIME STUDENT / NOT AN A STUDENT

YEAR APPLICANT'S SPOUSE IS (OR WAS) COMPLETED HIGH SCHOOL (INCLUDE GED) — 1974 / 1973 / 1972 / BEFORE 1972 / DOES NOT APPLY

T ABOUT APPLICANT'S PARENTS

Block T (1): Enter the age of the family member primarily responsible for earning family income.

Block T (2): Enter the total size of your parents (guardian's) household. Include applicant, parents (guardian), children who are dependent on parents (guardian) for more than half their support, and all other persons for whom your parents (guardian) provide more than half support during the year.

Block T (3): Enter the number of household members not counting the applicant who will attend post high school educational institutions at least half-time in 1974-75.

Block T (4): Enter the total months the persons in *Block T (3)* will live at home with parents (guardian) between July 1, 1974 and June 30, 1975. *DO NOT* INCLUDE THE APPLICANT. For example, if a brother *OR* sister will be in post high school education, and will live at home for 6 months, enter 06 in *Block T (4)*. Enter zero if no one in *Block T (3)* will live at home with parents (guardian).

U STATUS OF APPLICANT'S PARENTS (MARK ONE ANSWER) — MARRIED / DIVORCED / SEPARATED / REPORT FROM DIVORCED OR SEPARATED PARENTS / WIDOWED / DEATH / DISABILITY

V OCCUPATION CODE OF MAIN FAMILY EARNER (SEE LISTING OF CODES)

Blocks U and V: Enter the appropriate responses.

W ANSWER EACH OF THE FOLLOWING FOR EACH YEAR

	1973?	1974?	1975?
DID YOU WILL APPLICANT LIVE WITH PARENTS OR GUARDIAN DURING THE YEAR?	YES / NO	YES / NO	YES / NO
DID YOU WILL APPLICANT RECEIVE OVER $600 IN FINANCIAL SUPPORT FROM THEM OR GUARDIAN DURING THE YEAR?	YES / NO	YES / NO	YES / NO
APPLICANT IS, WAS, OR WILL BE LISTED ON AND EXEMPTION ON THE UNITED STATES INCOME TAX RETURN DURING THE YEAR?	YES / NO	YES / NO	YES / NO

Block W: For each year applicant lives with parents or guardian while attending school or during summers, answer YES to the first part of the question. For each year parents or guardian provide applicant with more than $600 in financial assistance (including room and board, clothes, medical care, cash gifts, and cost of education), answer YES to the second part of the question. For each year parents or guardian claim applicant as a U.S. income tax exemption, answer YES to the third part of the question. **Answer YES or NO to all nine questions.**

OCCUPATIONAL CODES FOR BLOCK V

BEST COPY AVAILABLE

Reporting Income - Blocks X and Y

GENERAL

To complete **Blocks X and Y**, use information from the U.S. Income Tax Return(s) filed for the **most recent year**.
The word **PARENTS** means the persons providing financial support for applicant.
Applicant's parents list their income information in unshaded column. Applicant and (if married) spouse use shaded column.
In reporting figures, round off to dollars. See examples and note that the numbers end in the last (right hand) ...

Examples:

Enter $320.18 this way			3	2	0
Enter $1,851.14 this way		1	8	5	1
Enter $10,972.77 this way	1	0	9	7	2

NOTE: WHEN A QUESTION *DOES NOT* APPLY TO PERSON(S) RESPONDING, ENTER ZEROES EXCEPT WHEN DIRECTED OTHERWISE

X		Y
U.S. INCOME TAX RETURN LAST FILED FOR TAX YEAR: ○ 1972 ○ 1973 WAS THIS A JOINT RETURN? ○ YES ○ NO IF PARENTS DID NOT FILE A U.S. INCOME TAX RETURN FOR LISTED YEAR CHECK HERE AND SKIP TO INSTRUCTION 1 ○	If applicant answered *YES* to **any questions for any year** in *Block W*, **Parents' income** information **must** be included or this document cannot be processed. If applicant answered *NO* to **all questions for all years** in *Block W*, parents' income information may be omitted. However, *failure* to report parents' income may limit applicant's eligibility for certain forms of financial assistance. **Applicant's** financial information **must** be included in *Block Y* or this document cannot be processed. Applicant should note that this document may be used as part of an application for federal student aid funds and that failure to respond truthfully to all questions may subject the applicant to penalties under the U.S. criminal code.	THE APPLICANT'S 1973 AND 1974 INCOME INFORMATION SHOULD BE BE PRINTED BELOW IS (THIS) APPLICANT'S 1972 TAX FORM A JOINT RETURN? ○ YES ○ NO IF A U.S. INCOME TAX RETURN WAS NOT FILED FOR 1973 CHECK HERE AND SKIP TO INSTRUCTION 1 ○
TOTAL TAX EXEMPTIONS CLAIMED ON ABOVE TAX YEAR (SEE INSTRUCTION 1)	**Instruction 1:** Exemptions Claimed'—**PARENTS**: If tax year is 1972 enter the number from line 10 of U.S. Income Tax Return; if tax year is 1973, enter total exemptions claimed on 1973 Return. **APPLICANT**: Enter total exemptions claimed (or to be claimed) on 1973 Return. **Married persons filing separate returns should add their two exemption figures and report the total.**	TOTAL TAX EXEMPTIONS CLAIMED ON 1973 TAX YEAR (SEE INSTRUCTION 1)
ADJUSTED GROSS INCOME FROM ABOVE TAX YEAR (SEE INSTRUCTION 2)	**Instruction 2:** Adjusted Gross Income'—**PARENTS**: If tax year is 1972, enter amount from line 17 of U.S. Income Tax Return, form 1040, or line 14 of form 1040A (refer to tax form parents filed); if tax year is 1973, enter adjusted gross (taxable) income from 1973 Return. If parents are married and filed separately, add adjusted gross incomes and list the total. If parents are divorced or separated and filing separate returns, include income of (a) the parent who provides more than half applicant's support or (b) if neither provides more than half applicant's support, both should furnish required information. **APPLICANT**: Enter adjusted gross income from 1973 U.S. Income Tax Return. If applicant is married and filed separately, add adjusted gross incomes and list the total. If 1973 tax form is not yet filed, estimate 1973 adjusted gross income.	ADJUSTED GROSS INCOME FROM 1973 TAX YEAR (SEE INSTRUCTION 2)
IF INCOME FOR TWO PERSONS IS INCLUDED IN THE ANSWER ABOVE, ENTER THE SMALLER OF THE TWO HERE (SEE INSTRUCTION 3)	**Instruction 3:** Two Incomes'—If the incomes of two persons were reported in the previous question, enter the smaller income. If two incomes were *not* reported, skip this question.	IF INCOME FOR TWO PERSONS IS INCLUDED IN THE ANSWER ABOVE, ENTER THE SMALLER OF THE TWO HERE (SEE INSTRUCTION 3)
FEDERAL INCOME TAX PAID IN ABOVE TAX YEAR (SEE INSTRUCTION 4)	**Instruction 4:** 'Federal Income Tax Paid'—**PARENTS**: If tax year is 1972, enter amount from line 20 of U.S. Income Tax Return, form 1040, or line 21 of form 1040A (refer to the U.S. tax form parents filed); if tax year is 1973, enter total income tax as calculated on 1973 U.S. Income Tax Return. **APPLICANT** should enter the total income tax as calculated on his or her 1973 U.S. Income Tax Return; estimate the amount if the 1973 form has not yet been filed. *DO NOT* copy tax withheld on W-2 Form. Married persons filing separate returns should add their two tax amounts and report the total.	FEDERAL INCOME TAX PAID IN 1973 TAX YEAR (SEE INSTRUCTION 4)
OTHER INCOME RECEIVED IN ABOVE TAX YEAR (SEE INSTRUCTION 5)	**Instruction 5:** 'Other Income Received'—**PARENTS and APPLICANT**: Enter the sum of the following types of other income (*DO NOT* include any income reported in Instruction 2): (a) all Social Security benefits except those received for education by either the applicant or other members of the household, (b) all veterans benefits except those received for education by either the applicant of other members of the household; (c) welfare benefits, AOC, and similar programs, (d) child support received for all children, and (e) any other income received that was not subject to U.S. Federal Income Tax (examples of such income are: interest on tax free municipal bonds, untaxed portions of pensions, untaxed portions of capital gains, military subsistance and quarters allowances). *DO NOT* include any amounts received through scholarships, student aid programs, or work study programs. If a tax **return was not filed for 1972 or 1973**—list as 'Other Income' all income received during all 12 months of 1973 except Social Security and veterans benefits received for education by either the applicant or other members of the household.	OTHER INCOME RECEIVED IN 1973 (SEE INSTRUCTION 5)
IF PARENTS ITEMIZED TAX DEDUCTIONS IN ABOVE TAX YEAR, LIST TOTAL OF AMOUNTS ITEMIZED FOR INTEREST AND CONTRIBUTIONS, OR NOTE IT (SEE INSTRUCTION 6)	**Instruction 6:** If parents **itemized** deductions in above tax year'—**PARENTS**: If tax year is 1972 and parents completed Schedule A of form 1040, add the amounts (if any) from lines 21 and 25 of Schedule A and enter total. If tax year is 1973 and parents itemized deductions, add the amounts of interest and contributions from the 1973 itemized deductions schedule and enter total. **Leave blank** if **parents did not itemize deductions**. **APPLICANT**: If you (and spouse) itemized 1973 deductions, enter total of lines 2, 6, and 30 on Schedule A (form 1040). If you (and spouse) took a standard deduction or did not file a return, enter total of your household's **uninsured** medical, dental and eye care expenses, and **uninsured** losses by theft or casualty in excess of $100 per loss.	MEDICAL EXPENSES, DENTAL EXPENSES, CASUALTY LOSSES AND THEFT LOSSES IN 1973 (SEE INSTRUCTION 6)
ESTIMATED TOTAL INCOME FOR 1974 (SEE INSTRUCTION 7)	**Instruction 7:** 'Estimated Income for 1974'—**PARENTS**: Enter 1974 estimated total income from all sources except Social Security or veterans benefits to be received for education by applicant or other members of the household. (If parents are reporting a farm or business income, include only **taxable** portion of that income.) **APPLICANT**: Enter estimated total income **from employment** during the period indicated (exclude spouse's income from employment for the same period, if appropriate). *DO NOT* include amounts applicant may expect to earn from student aid programs, if any.	ESTIMATED INCOME FROM EMPLOYMENT BETWEEN JULY 1, 1974 AND JUNE 30 1975 (SEE INSTRUCTION 7)

*IF APPLICANT IS MARRIED, INCLUDE INFORMATION FOR HUSBAND AND WIFE, IN ALL QUESTIONS

BEST COPY AVAILABLE

Reporting Assets - Block Z

GENERAL

Report assets using the following instructions. **Parents assets** (Instructions 8, 9, 10, and 11) may be omitted if applicant answered *NO* to **all questions for all years** in *Block W*. (Failure to include parents' assets may make the applicant ineligible for certain student aid programs) The word **PARENTS** means the persons providing financial support for applicant. **If an asset value is less than the debt against it, enter zero for it.** *DO NOT* **enter negative amounts. Check calculations carefully**

Instruction 8: MARKET VALUE OF PARENTS' HOME *Minus* **PRESENT MORTGAGE**

Present market value of parents' home $ _____

Minus present unpaid home mortgage (-) $ _____

Equals MARKET VALUE OF PARENTS' HOME MINUS PRESENT MORTGAGE (=) $ _____

MARKET VALUE OF PARENTS' HOME MINUS PRESENT MORTGAGE SEE INSTRUCTION 8

(DO NOT include home value here if it will be included in the value of farm or business in Instruction 10.)

Instruction 9: PARENTS' INVESTMENTS, REAL ESTATE, AND SAVINGS

a **Enter** *SUM* of present market value of other real estate (not including farm or business) *AND* total market value of investments, including stocks, bonds, and other securities $ _____

Minus the *SUM* of present unpaid mortgage or related debts on that real estate *AND* the amount of debts against investments (-) $ _____

Equals net value of parents' investments, and real estate (a) (=) $ _____

b **Enter** amount of parents' current savings, checking accounts, and cash on hand (b) (+) $ _____

c **Add (a)** and **(b)** to obtain PARENTS' INVESTMENTS, REAL ESTATE, AND SAVINGS (=) $ _____

PARENTS' INVESTMENTS, REAL ESTATE, AND SAVINGS SEE INSTRUCTION 9

Instruction 10: NET VALUE OF PARENTS' FARM OR BUSINESS *(DO NOT include value of home if it was listed under "MARKET VALUE OF PARENTS' HOME")*

Current market value of farm or business (including farmhouse(s), building(s), machinery, animals, etc.) $ _____

Minus outstanding debts of farm or business (-) $ _____

Equals value of farm or business (=) $ _____

Multiply above amount by your share of ownership (%) of farm or business (100% equals 1.00) (x) _____ %

Equals NET VALUE OF FARM OR BUSINESS (=) $ _____

NET VALUE OF PARENTS' FARM OR BUSINESS SEE INSTRUCTION 10

Instruction 11: PARENTS' OTHER ASSETS *(list only those not included before)*

Enter the total value of consumer durables and personal assets parents own that are *EACH* valued at $500 or more (include such items as automobiles, boats, art objects, stereo equipment, televisions, jewelry, antiques, cameras, etc.) $ _____

Minus the total amount of debts against these items (-) $ _____

Equals PARENTS' OTHER ASSETS (=) $ _____

PARENTS' OTHER ASSETS SEE INSTRUCTION 11

APPLICANT'S BENEFITS (to be received between July 1, 1974 and June 30, 1975)

Enter the amount of Social Security benefits *per month* applicant expects to receive for the above period. Enter only the amount applicant will receive because he or she is or will be a student. Then enter the number of months these benefits will be received during the above period.

SOCIAL SECURITY (per month) | NUMBER OF MONTHS

Enter the amount of Veterans Benefits *per month* applicant expects to receive for the above period. Enter only the amount applicant will receive from the VA GI Bill program because he or she will be a student. Then enter the number of months benefits will be received during the above period.

VETERANS BENEFITS (per month) | NUMBER OF MONTHS

Enter the amount applicant will receive from *other sources* of funds that have not been included on this form. List total for period from July 1, 1974 to June 30, 1975. Include money from sources such as welfare, ADC, railroad retirement, and rehabilitation. *Exclude* funds from parents, spouse employment, loans, or from schools or agencies to which this report will be sent.

OTHER SOURCES OF INCOME TO APPLICANT

LIST CODES OF COLLEGES, SCHOOLS, AND AGENCIES TO RECEIVE THIS REPORT

SEE ENCLOSED LISTING FOR CODES

FIRST	SECOND	THIRD

Instruction 12: APPLICANT'S PRIMARY ASSETS

a **Enter** present market value of applicant's home (if any) $ _____

Minus unpaid mortgage on that home (-) $ _____

Equals applicant's home value (a) (=) $ _____

b **Enter** *SUM* of present market value of other real estate (not including farm or business) *AND* the total market value of applicant's investments, including stocks and bonds, and other securities $ _____

Minus the *SUM* of present unpaid mortgage or related debts on that real estate *AND* the amounts of debts against investments (-) $ _____

Equals value of applicant's investments and real estate (b) (=) $ _____

c **Current** market value of applicant's farm or business (including farmhouse(s) — *DO NOT include value of home if it was listed above* — building(s), machinery, animals, etc.) $ _____

Minus outstanding debts of farm or business (-) $ _____

Equals value of farm or business (=) $ _____

Multiply above amount by your share of ownership (%) of farm or business (100% equals 1.00) (x) _____ %

Equals value of applicant's farm or business (c) (=) $ _____

d Savings of applicant (d) (=) $ _____

e **Add (a), (b), (c),** and **(d)** to obtain APPLICANT'S PRIMARY ASSETS (=) $ _____

If applicant is married, include assets of spouse

APPLICANT'S PRIMARY ASSETS SEE INSTRUCTION 12

Instruction 13: APPLICANT'S OTHER ASSETS

Enter the total value of consumer durables and personal assets applicant owns that are *EACH* valued at $500 or more (include such items as automobiles, boats, art objects, stereo equipment, televisions, jewelry, antiques, cameras, etc.) $ _____

Minus the total amount of debts against these items (-) $ _____

Equals APPLICANT'S OTHER ASSETS (=) $ _____

APPLICANT'S OTHER ASSETS SEE INSTRUCTION 13

Now, using the following instructions, transfer to the enclosed Family Financial Statement the information you have completed thus far

Your Family Financial Statement will be processed by an electronic device which will record the information that you indicate by blackening small circles and squares. Complete the form carefully. **Use a soft lead pencil.** *DO NOT* **use ink or ball-point pen.** In each block, clearly print the appropriate information in the boxes above the circles. Then below each box, blacken completely the circle with the corresponding letter or number. If you are leaving **any** box blank, blacken the small space square ⊡ below that box. In some cases, no boxes appear above the circles; you should merely blacken the proper response. Make your marks **heavy and black**. Avoid stray marks and smudges. See the sample in Figure 1.

FIGURE 1

Blacken zeroes to indicate "None" to any item. To indicate that an item does not apply, blacken all the space squares ⊡ for that item. You should respond to **every** question on the form that applies to you.

Then complete the signature section of the Family Financial Statement (be sure to include your high school code if you are a high school senior now), enclose the fee and it is ready for mailing to ACT.

FEE

ONE REPORT—$3.50

ADDITIONAL—$2 EACH

(one report is sent to each school you indicate)

Make check payable to The American College Testing Program

We certify that to the best of our knowledge the information contained in this statement is correct and complete. We authorize The American College Testing Program to transmit the information to the college(s), school(s), or agency(ies) indicated and agree that they have our permission to verify it. We also agree to release copy or copies of U.S. or State Income Tax Returns upon request to The American College Testing Program, or to the college(s), school(s), or agency(ies) coded herein.

Father or Male Guardian | Mother or Female Guardian | Date signed

Applicant | Applicant's Spouse | MO DAY YR

BEST COPY AVAILABLE

SUPPLEMENTAL INFORMATION SHEET*

Many institutions use this page as the student's application for financial aid. Answer the following questions to provide more information about yourself. Please note, however, that many colleges and scholarship agencies will require a financial aid application.
IF A QUESTION DOES NOT APPLY TO YOU, LEAVE IT BLANK.

APPLICANT INFORMATION

1. Mr./Mrs./Miss/Ms _____ (circle one above) Last _____ First _____ Middle _____
2. Social Security Number _____
3. Address while attending this college (if known): Number _____ Street _____ Telephone _____ City _____ State _____ Zip Code _____
4. IS THIS APPLICATION BASED UPON FINANCIAL NEED?
   Yes _____ (If Yes, a Family Financial Statement must be filed out)
   No _____ (If No, only items 1 & 4 of this ACT Instruction Worksheet are necessary)
5. INDICATE FINANCIAL AID PREFERENCE (check all that apply)
   Any financial aid: scholarship(s) available _____ Grant _____ Loan _____
   Employment _____ Scholarship: Academic _____ Activity (type) _____
6. Your graduated from high school _____ or year you received high school equivalent _____
7. College major _____
   Career choice _____
8. Indicate YEAR by semester, quarter, and/or summer session(s) for which this application is to be used:
   Fall Term _____ Winter Term _____ Spring Term _____ Summer Session 1st _____ 2nd _____
9. College standing at 1st a financial aid will be used:
   Freshman _____ Sophomore _____ Junior _____ Senior _____ Graduate _____
   Professional _____ Undecided _____ Undecided _____
10. Are you a resident, according to the admissions office, of the college to which you are applying for financial aid? Yes _____ No _____ Uncertain _____
11. What date do you expect to graduate from this institution? Month _____ Year _____
12. If you are not a U.S. citizen, provide visa code number _____ Date _____
13. CLASSIFICATION:
    Incoming freshman _____ Transfer from another college (this year) _____ Continuing student _____ Former student at this college _____
    Are you presently, or will you be, receiving assistance from any of the following?
    Bureau of Indian Affairs _____ Neighborhood Youth Corps _____ Upward Bound _____ Migrant Upward Bound _____ Talent Search _____
15. LIST ANY COLLEGE YOU HAVE ATTENDED, INCLUDING PRESENT ATTENDANCE, AND CREDIT EARNED:

College	Credit Hours	Date From	Date To
Total Credit Hours			

16. What college, if any, will you attend after graduating from this college? _____
17. Will you need a job while in college? Yes _____ No _____
18. Are you now employed? Yes _____ No _____ If Yes, hours per week _____
    If Yes, will your gross income be the same at time award is used? Yes _____ No _____
19. LIST ALL EMPLOYMENT HELD DURING PAST 2 YEARS (including College Work Study)

Employer	Nature of Work	Date From	Date To

20. LIST SPECIAL SKILLS OR APTITUDES YOU POSSESS (typing, data processing, clerical, etc.) _____
21. Auto to be driven while in college: Year _____ Make _____ Present Value _____
    Registered Owner (name) _____ Date of purchase _____
22. Where will you be living during the period of requested financial aid?
    On campus _____ At home _____ Off campus _____
23. Will you commute to campus? Yes _____ No _____
    If Yes, from what town? _____ Give round trip mileage _____
24. RACE OR ETHNIC GROUP (this information is optional): Black, Afro American _____ Indian American Tribal Nation _____ Oriental American _____ White Caucasian American _____ Spanish surnamed, Chicano Mexican American _____ Other Please specify _____

25. INCOME AVAILABLE TO MEET EXPENSES (during term(s) financial aid is desired)

Personal funds (cash, savings, etc.)	$
Private loans	$
Summer earnings available	$
Earnings while in college (not tuite college work study)	$
Parental support	$
Spouse's support	$
Scholarships received (e.g. GI)	$
Veteran's benefits	$
Welfare benefits	$
Social Security	$
Annuity	$
Other income—source	$
Total income (A)	$
College expenses (B)	$
Unusual expenses (C)	$
Total expenses (D) = (B) + (C)	$
Financial need (E) = (A) − (D)	$

Incoming freshmen are to obtain proper figures for college expenses from high school counselor

26. PARENTAL INFORMATION (The following must be completed by all applicants)

27. MARRIED STUDENTS ONLY: No. dependent children _____ Given ages _____
    Spouse's present monthly gross income $ _____ Spouse's monthly gross income at time award is to be used $ _____ Has spouse applied for financial aid? Yes _____ No _____

28. CONTINUING OR TRANSFER STUDENTS ONLY:
    List financial aid you have previously received

Type of Assistance	Institution	Date
Basic Educational Opportunity Grant		
National Defense Direct Student Loan		
Educational Opportunity Grant		
College Work Study		
Federally Insured Student Loan		
Nursing Student Loan		
Nursing Student Scholarship		
Law Enforcement Education Grant/Loan		
Scholarship		
Health Professions Loan/Grant		

29. ENTERING FRESHMEN ONLY: (Please fill out and have signed by High School Official)
    Cumulative high school grade point average (A = 4, B = 3, C = 2, D = 1) _____
    Number in high school graduating class _____ Rank in Class _____

30. TRANSFER STUDENTS ONLY: (Please fill out and have signed by College Official)
    College credit hours earned _____ Semester(s) completed _____
    Cumulative college grade point average (A = 4, B = 3, C = 2, D = 1) _____

Verified by, Name of School _____ Signature of School Official _____ Title _____ Do Not Use _____ City _____ State _____

If you have any unusual circumstances or data concerning your family financial situation, student activities, or any other unusual situation of which the financial aid office should know, please attach an additional page explaining your situation

SCHOOL OR COLLEGE TO RECEIVE THIS COPY: _____

*Additional copies of this page are contained in this packet. You should send completed copies to your second and third choice schools or agencies

SIDE 1 PLEASE READ INSTRUCTIONS ON THE INSTRUCTION WORKSHEET BEFORE COMPLETING THIS FORM. USE SOFT PENCIL. CONFIDENTIAL

FAMILY FINANCIAL STATEMENT

THE AMERICAN COLLEGE TESTING PROGRAM

FOR FINANCIAL AID TO BE RECEIVED DURING ACADEMIC YEAR 1974-75

A STUDENT APPLICANT'S NAME (LAST NAME FIRST)

B STUDENT APPLICANT'S HOME ADDRESS (HOUSE NUMBER AND STREET) (WHERE YOU NOW RECEIVE MAIL)

C STUDENT APPLICANT'S HOME CITY (WHERE YOU NOW RECEIVE MAIL)

STATE CODE

Ala. 01, Alaska 02, Ariz. 03, Ark. 04, Calif. 05, Colo. 06, Conn. 07, Del. 08, D.C. 09, Fla. 10, Ga. 11, Hawaii 12, Idaho 13, Ill. 14, Ind. 15, Iowa 16, Kans. 17, Ky. 18, La. 19, Maine 20, Md. 21, Mass. 22, Mich. 23, Minn. 24, Miss. 25, Mo. 26, Mont. 27, Nebr. 28, Nev. 29, N.H. 30, N.J. 31, N. Mex. 32, N.Y. 33, N.C. 34, N. Dak. 35, Ohio 36, Okla. 37, Oreg. 38, Pa. 39, R.I. 40, S.C. 41, S. Dak. 42, Tenn. 43, Tex. 44, Utah 45, Vt. 46, Va. 47, Wash. 48, W. Va. 49, Wis. 50, Wyo. 51, Canada 52, Other 53

STUDENT APPLICANT INFORMATION

D STATE CODE

E ZIP CODE

F SEX

G DATE OF BIRTH (MONTH, DAY, YEAR)

H APPLICANT'S SOCIAL SECURITY NUMBER

I APPLICANT'S EDUCATIONAL LEVEL FALL 1974

J APPLICANT IS: SINGLE, MARRIED, DIVORCED, SEPARATED, WIDOWED

K NUMBER OF APPLICANT'S DEPENDENTS (INCLUDING YOUR SPOUSE)

L NUMBER IN APPLICANT'S HOUSEHOLD (INCLUDING YOUR SPOUSE)

M NUMBER OF MEMBERS OF APPLICANT'S HOUSEHOLD COLLEGE AND SCHOOL AGE (AT LEAST FULL TIME) (INCLUDE YOUR SPOUSE)

N HAS APPLICANT PREVIOUSLY APPLIED FOR FINANCIAL AID FOR ATTENDANCE AT THIS INSTITUTION? (ANY PART-TIME OR FULL-TIME APPLICANT SHOULD SO)

WHEN DID APPLICANT FIRST APPLY? (MONTH, YEAR)

WHEN DID APPLICANT ATTEND FULL TIME? (MONTH, YEAR)

WHEN DID APPLICANT ATTEND PART TIME? (MONTH, YEAR)

O WHEN DOES APPLICANT FINANCIAL AIDED WHEN (YEAR, TERM)

SUMMER TERM 19__

FALL TERM 19__

WINTER TERM 19__

SPRING TERM 19__

SUMMER TERM 19__

P WHAT IS APPLICANT'S FUTURE EDUCATIONAL GOAL (YEARS OF SCHOOLING)

ONE YEAR PROGRAM

TWO YEAR PROGRAM

THREE YEAR DEGREE

FOUR YEAR DEGREE

MASTER'S DEGREE

PH.D. OR PROFESSIONAL DEGREE

Q IS APPLICANT A U.S. CITIZEN?

YES

NO

DOES APPLICANT NEED HIS OR HER OWN AID?

YES

NO

R IS APPLICANT A VETERAN?

YES

NO

IS APPLICANT A HIGH SCHOOL (OR GED) GRADUATE?

YES

NO

S MARRIED APPLICANTS

WHAT IS THE PRESENT MARITAL STATUS OF APPLICANT'S PARENTS? (MARRIED, DIVORCED, SEPARATED, WIDOWED, OTHER)

ARE APPLICANT'S PARENTS CURRENTLY MARRIED TO EACH OTHER?

YES

NO

ARE APPLICANT'S PARENTS CURRENTLY LIVING TOGETHER?

YES

NO

ARE APPLICANT'S PARENTS CURRENTLY LIVING?

YES

NO

ARE BOTH PARENTS LIVING?

YES

NO

ARE APPLICANT'S PARENTS CURRENTLY LIVING?

YES

NO

ARE BOTH PARENTS LIVING?

YES

NO

ARE APPLICANT'S PARENTS CURRENTLY LIVING?

YES

NO

ARE BOTH PARENTS LIVING?

YES

NO

T ABOUT APPLICANT'S PARENTS

U STATUS OF APPLICANT'S PARENTS (MARRIED, DIVORCED, SEPARATED, FATHER DECEASED, MOTHER DECEASED, BOTH DECEASED, OTHER)

V WHAT IS THE LEVEL OF EDUCATION OF EACH FAMILY MEMBER? (CIRCLE ONE NUMBER FOR EACH MEMBER)

1 2 3 4 FATHER

1 2 3 4 MOTHER

1 2 3 4 OTHER PARENT

1 2 3 4 DOES NOT APPLY

*SEE CODES AT LEFT

PRINTED BY MRC IOWA CITY, IOWA FORM NO. 3360

BEST COPY AVAILABLE

SIDE 2

YOU SHOULD COMPLETE THE INSTRUCTION WORKSHEET BEFORE COMPLETING THE INFORMATION ON THIS PAGE

CONFIDENTIAL

USE SOFT PENCIL
SHOW DOLLARS ONLY
DO NOT SHOW CENTS

DO NOT STAPLE OR ATTACH TAPE TO THIS FORM

MAIL THIS FORM TO: The American College Testing Program
Financial Aid Operations
P.O. Box 1800
Iowa City, Iowa 52240

IS THIS AN APPLICATION FOR A FEDERALLY INSURED STUDENT LOAN? YES NO

W ANSWER EACH OF THE FOLLOWING FOR EACH YEAR

X PARENTS' INCOME INFORMATION

FEDERAL TAX RETURN LAST FILED FOR TAX YEAR 1972 1973

WAS THIS A JOINT RETURN? YES NO

Y APPLICANT'S INCOME INFORMATION

Z

1 APPLICANT'S BENEFITS

2 YOU SHOULD RESPOND TO ALL QUESTIONS ON THIS FORM

FEE
ONE REPORT $4.00
TWO REPORTS $6.00
THREE REPORTS $7.00

3 LIST CODES OF COLLEGES, SCHOOLS AND SCHOLARSHIP AGENCIES TO RECEIVE THIS REPORT
(SEE ENCLOSED LIST OF CODES)
FIRST REPORT | SECOND REPORT | THIRD REPORT

4 HIGH SCHOOL CODE
IF YOU ARE NOW IN HIGH SCHOOL ENTER YOUR ACT HIGH SCHOOL CODE HERE. SEE YOUR COUNSELOR IF YOU DON'T KNOW THE CODE NUMBER

5 DATE SIGNED
MONTH DAY YEAR

FOR ACT USE ONLY

NOTE: INCLUDE CORRECT FEE TO AVOID DELAY

© COPYRIGHT 1973 THE AMERICAN COLLEGE TESTING PROGRAM

BEST COPY AVAILABLE

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT—1974-75

CONFIDENTIAL

THE AMERICAN COLLEGE TESTING PROGRAM

COLLEGE CODE:

1

NAME AND ADDRESS	SOCIAL SECURITY NO.	SEX	DATE OF BIRTH	DEGREE OBJECTIVE	APPLICANT'S ED LEVEL (6-7)	APPLICANT IS	NUMBER OF DEP. CHILDREN	OTHER DEPENDENTS

NUMBER IN APPLICANT'S HOUSEHOLD IN FIRST FULL SCHOOL YEAR (INCLUDES YOU)	FRESH APPLICANTS	FULL TIME OR HALF TIME?	TERMS APPLIED FOR	APPLICANT A U.S. CITIZEN?	SPOUSE FULL TIME?	YEAR SPOUSE GRADUATES	FPS SIGNED BY	DATE FPS WAS SIGNED

2

MARITAL STATUS OF APPLICANT'S PARENTS	TOTAL NUMBER IN PARENTS' HOUSEHOLD	NUMBER	NUMBER 21 YEARS	AGE	MAIN FAMILY EARNER OCCUPATION	APPLICANT LIVES WITH PARENTS AT ANY TIME DURING			PARENTS PROVIDE $600 OR MORE TO APPLICANT DURING			PARENTS CLAIM APPLICANT AS A TAX EXEMPTION		
						1973?	1972?	1975?	1973?	1972?	1975?	1973?	1972?	1975?

3

Family Income	TAX YEAR	JOINT RETURN?	TOTAL NUMBER OF EXEMPTIONS CLAIMED	ADJUSTED GROSS INCOME	IF INCOME FOR TWO YEARS ARE INCLUDED (I.E. REDUCED GROSS INCOME LESS OF THE TWO)	FEDERAL INCOME TAX PAID	OTHER INCOME RECEIVED	INTEREST AND CONTRIBUTIONS	MEDICAL OR DENTAL EXPENSE, CASUALTY OR THEFT LOSSES	ESTIMATED YEAR	ESTIMATED INCOME AMOUNT
PARENTS											
APPLICANT & SPOUSE											

Family Assets	VALUE OF PARENTS' HOME MINUS MORTGAGE	PARENTS' INVESTMENTS, REAL ESTATE, AND SAVINGS	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	APPLICANT'S PRIMARY ASSETS	APPLICANT'S OTHER ASSETS

Other Applicant Information	DOES APPLICANT RECEIVE WELFARE OR AID?	IS APPLICANT A VETERAN?	HS OR GED GRADUATE?

	SOCIAL SECURITY MONTHLY AMOUNT	SOCIAL SECURITY NUMBER OF MONTHS	VETERAN'S BENEFITS MONTHLY AMOUNT	VETERAN'S BENEFITS NUMBER OF MONTHS	OTHER ASSISTANCE TO BE RECEIVED	TOTALING
						BETWEEN JULY 1, 19__ AND JUNE 30, 19__

INDEPENDENT STUDENT RESOURCES	
SUMMER SAVINGS	
ASSETS (6-8 POST HIGH YEARS REMAINING)	
TOTAL FROM SOCIAL SECURITY VETERAN'S BENEFITS, AND OTHER ASSISTANCE	
OTHER	
TOTAL	

BUDGET ANALYSIS		COMMUTING STUDENT	RESIDENT STUDENT	
[illegible]				
[illegible]	ACT			
[illegible]	ACT			

● TO NEAREST $25

NOTES

4

Financial Need Analysis

MODEL:

[illegible]		
BASE YEAR/ESTIMATED YEAR		
TOTAL INCOME		
FAMILY SIZE ALLOWANCE		
FEDERAL INCOME TAX		
DEDUCTIONS ALLOWANCE		
HOUSEKEEPING ALLOWANCE		
SOCIAL SECURITY TAX		
[illegible]		
EDUCATIONAL CONTRIBUTION		
NUMBER IN COLLEGE		
CONTRIBUTION FROM INCOME		

PARENTS' HOME EQUITY		
PARENTS' INVESTMENTS, REAL ESTATE, AND SAVINGS		
NET VALUE OF PARENTS' FARM OR BUSINESS		
PARENTS' OTHER ASSETS		
NET ASSETS OF APPLICANT (AND SPOUSE ONLY SUPPORTING ONLY)		
+ NET ASSETS		
RETIREMENT ALLOWANCE		
+ AVAILABLE ASSETS		
[illegible]		
EXPECTATION FROM ASSETS		
NUMBER IN COLLEGE (ESTIMATED ONLY)		
CONTRIBUTION FROM ASSETS		

[illegible]		
TOTAL CONTRIBUTION		

5

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT (CFAR)

CONTENTS

This document includes all the information from the Family Financial Statement (FFS) just as reported to ACT and an analysis of the applicant's financial need.

SECTION 1 contains information about the applicant from the FFS. (ABBREVIATIONS. TERM — F-Fall, W-Winter, S-Spring, SS-Summer, SPOUSE FULL TIME FT — Full-time, PT — Part-time, FFS SIGNED — F-Father, M-Mother, A-Applicant, S-Spouse, ALL — Father, Mother, Applicant, and Spouse)

SECTION 2 contains information about the parents of the applicant from the FFS as well as "dependency" information about the applicant.

SECTION 3 contains financial information about the family.

SECTION 4 contains the analysis of the above information.

SUGGESTIONS FOR USE

1. Scanning the CFAR — Each financial aid officer will in time develop his own method for scanning the CFAR and focusing on the items of particular interest to him. However, the following suggestions may be in order.

   A First, scan the notes. Missing items, inconsistent items, and special situations are noted by comments that direct attention to non routine parts of the Analysis. These extraordinary cases require close attention.
   B Next, scan the background information about the student.
   C Third, scan the financial information of the family.
   D Finally, scan the actual need analysis.

   The above method will quickly yield a comprehensive understanding of the CFAR.

2. Precision of the Analysis — The results of central need analysis are not precise to the dollar. The need analysis gives a general indication of the financial need of the student. It should be used as a guide by the financial aid administrator, not as a strict rule. Although the need analysis figures may be directly applicable in the majority of cases, the financial aid administrator will frequently have other data that will suggest an adjustment in the need analysis figures in certain situations. In all cases, the judgment of the financial aid administrator, based on sound documentation, should prevail.

3. The Self Supporting Student — The ACT self-supporting student calculation this year differs considerably from that of prior years and especially from the dependent student calculation. The financial aid administrator should review carefully the portion of the ACT Handbook for Financial Aid Administrators that is concerned with the self-supporting student. It should be noted that some students will state they are self supporting and their FFSs will contain no parental information. ACT will process these students as self-supporting.

COMMENTS. A complete list of all comment codes and an explanation of comments may be found in the ACT Handbook for Financial Aid Administrators.

AWARD RECORD

DATE	AWARD NAME	AMOUNT	TERM	COMMENTS

ACT Financial Aid Operations
P.O. Box 1000
Iowa City, Iowa 52240

©1973 The American College Testing Program, Inc. Printed in the U.S.A. All rights reserved.

BEST COPY AVAILABLE

CONFIDENTIAL

ACT Student Financial Aid Report 1974-75

TO THE FINANCIAL AID APPLICANT: THIS FORM IS SENT TO YOU TO VERIFY THE INFORMATION YOU RECENTLY SENT TO ACT. SEE THE REVERSE SIDE FOR MORE INFORMATION

SEX | DATE OF BIRTH | SOCIAL SECURITY NO. | APPLICANT'S EDUCATIONAL LEVEL | APPLICANT IS | NUMBER OF DEPENDENT CHILDREN | FIRST INITIAL | NUMBER OF FULL-TIME STUDENTS | FIRST APPLICANT | FULL-TIME OR PART-TIME

YEARS APPLIED FOR | DEGREE OBJECTIVE | APPLICANT A U.S. CITIZEN | DOES APPLICANT RECEIVE INCOME TAX | IS APPLICANT A VETERAN? | HS OR GED GRADUATE? | SPOUSE FULL-TIME? | YEAR SPOUSE GRADUATED

MARITAL STATUS OF APPLICANT'S PARENTS | TOTAL NUMBER IN PARENTS' HOUSEHOLD | NUMBER | NUMBER IN COLLEGE | MAIN FAMILY EARNER: AGE | OCCUPATION

FFS SIGNED BY | DATE FFS WAS SIGNED

NAME AND ADDRESS

APPLICANT WAS NOT IN PARENTS' AT ANY TIME DURING			PARENTS PROVIDED MORE OF APPLICANT DURING			PARENTS CLAIM APPLICANT AS A TAX EXEMPTION		
1973?	1974?	1975?	1973?	1974?	1975?	1973?	1974?	1975?

	TAX YEAR	FORM RETURNED	TOTAL NUMBER OF EXEMPTIONS CLAIMED	ADJUSTED GROSS INCOME	IF INCOME FOR THIS EMPLOYER ARE INCLUDED ABOVE AN GROSS INCOME MINUS OF THE WAGES	FEDERAL INCOME TAX PAID	OTHER INCOME RECEIVED	INTEREST AND CONTRIBUTIONS	MEDICAL OR DENTAL EXPENSES, CASUALTY OR THEFT LOSSES	ESTIMATED YEAR	ESTIMATED INCOME AMOUNT
PARENTS											
APPLICANT & SPOUSE											

FAMILY ASSETS	VALUE OF PARENTS' HOME WITHOUT MORTGAGE	PARENTS' INVESTMENTS, REAL ESTATE AND SAVINGS	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	APPLICANT'S PRIMARY ASSETS	APPLICANT'S OTHER ASSETS		SOCIAL SECURITY MONTHLY AMOUNT	NUMBER IN GROUPING	VETERAN'S BENEFITS MONTHLY AMOUNT	NUMBER IN GROUPING	OTHER INHERITANCE TO BE RECEIVED

Use this form to request reports for colleges in addition to those listed on your Family Financial Statement. Please print all information requested and return the form with the proper fee (see reverse side) to The American College Testing Program, Financial Aid Operations, P.O. Box 1000, Iowa City, Iowa 52240.

NAME OF SCHOOL | CITY | STATE | ACT CODE

THIS REPORT PREPARED FOR

Before returning this form to ACT, please supply the information requested in the boxes at the right. If your name and address are not shown correctly in the box at the left, please make corrections.

FIRST 5 LETTERS OF YOUR LAST NAME | DATE OF BIRTH: MO. DAY YR.

SOCIAL SECURITY NUMBER

BEST COPY AVAILABLE

STUDENT FINANCIAL AID REPORT (SFAR) INSTRUCTIONS

1. The information you submitted on your Family Financial Statement (FFS) has been included in a report of your financial need and sent to the institutions and scholarship agencies you indicated by code on the FFS. It is most important that correct information has been sent to your institution and agency choices. To insure this, we have sent this Student Financial Aid Report (SFAR) to you. The report on the reverse side contains information just as you recorded it on your FFS.

2. Check the accuracy of this information. Examine the "OTHER COMMENTS" and "REPORTS SENT TO" sections carefully. MAKE SURE THE CORRECT COLLEGE, SCHOOL, AND SCHOLARSHIP AGENCY CODES ARE LISTED THERE.

3. If you see that an error was made when you filled out the FFS, you should notify the institutions and scholarship agencies concerned IMMEDIATELY. You should also notify ACT at the address below so your master record can be corrected. To make corrections, return this entire form, deleting incorrect data and inserting appropriate response(s). ACT will not prepare a corrected report to colleges and scholarship agencies unless you file an Additional College Report Request (see below) with the appropriate fee. If in making the correction it is discovered that ACT made an error in preparing your data, the fee you submit for correcting the report(s) will be returned to you.

4. The "OTHER COMMENTS" section of the reverse side may contain a request for more information from you. It is important that you complete and forward this information to ACT as soon as possible to insure that processing may be completed.

5. YOU SHOULD RETURN this form to ACT only if you
   a. are responding to questions asked by ACT
   or
   b. are paying the fee you may have been billed for
   or
   c. wish corrected reports sent to your original school or college choices
   or
   d. want reports sent to schools or colleges different from those you originally requested on your FFS.

   Otherwise, YOU SHOULD KEEP this form for your records. If you do return it to ACT with corrections, another will be sent to you when processing is completed.

SOME HINTS ABOUT OBTAINING FINANCIAL ASSISTANCE

It is not simple to overcome the many difficulties you may face in financing your college education. Here are some hints that may help.

THE FINANCIAL AID ADMINISTRATOR at your school or college is your most important source of information and assistance. You should establish contact with him/her early and maintain it throughout your enrollment. He/she will be aware of the latest changes in availability of funds. He/she will want to know if your financial circumstances change. If you cannot visit him/her, you should write him/her if at any time you have problems in financing your education or questions about the result of your application for financial aid.

PROCEDURES in applying for financial aid vary from school to school. You should make certain to obtain all the information necessary from institutions of your choice on their application procedures, deadlines and other requirements for qualifying for financial assistance.

AWARDS are generally made to financial aid applicants at certain times of the year. Announcement dates vary from school to school. This information is available from your financial aid administrator. If you have applied for assistance and do not hear from the school for an extraordinary length of time (for instance, by June or July if you will be a new freshman and are applying for financial aid for the term beginning in September) you should contact the financial aid administrator to determine the status of your application.

UNUSUAL CIRCUMSTANCES cannot be properly reflected on a form. If there are serious problems which affect your financial situation, you should either visit the financial aid administrator when you are on campus to explain them or write a clear statement of their nature. This person is experienced at determining the impact such information will have on your application.

ADDITIONAL COLLEGE REPORT REQUEST

If you wish to have your financial need analysis report sent to institutions or agencies other than those you originally indicated, OR if you wish to make corrections to reports already sent to your original choices, you should complete the Additional College Report on the reverse side and forward it with the appropriate fee to:

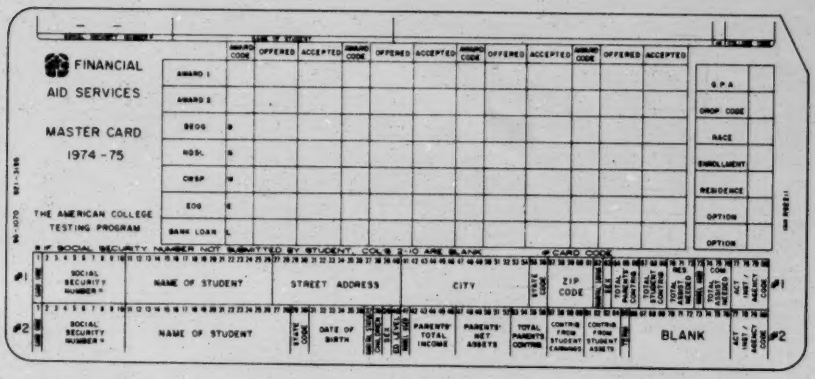
Financial Aid Operations
The American College Testing Program
P. O. Box 1000
Iowa City, Iowa 52240

FEE: EACH REPORT - $2.00
PLEASE DO NOT SEND CASH. REPORTS WILL BE MAILED WITHIN THREE WEEKS AFTER YOUR REQUEST IS RECEIVED.

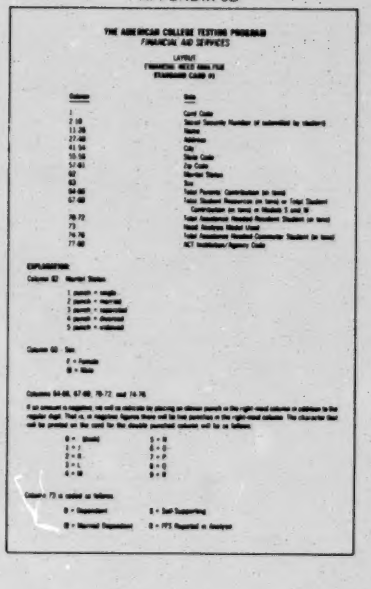
© 1973 The American College Testing Program, Inc. Printed in the U.S.A. All rights reserved.

BEST COPY AVAILABLE

APPENDIX 5A



APPENDIX 5B


THE AMERICAN COLLEGE TESTING PROGRAM
FINANCIAL AID SERVICES
LAYOUT
FINANCIAL NEED ANALYSIS
STANDARD CARD #1

Column	Data
1	Card Code
2-10	Social Security Number (if submitted by student)
11-26	Name
27-40	Address
41-54	City
55-56	State Code
57-61	Zip Code
62	Marital Status
63	Sex
64-66	Total Parents' Contribution (in tens)
67-69	Total Student Resources (in tens) or Total Student Contribution (in tens) in Models 5 and 6
70-72	Total Assistance Needed Resident Student (in tens)
73	Need Analysis Model Used
74-76	Total Assistance Needed Commuter Student (in tens)
77-80	ACT Institution/Agency Code

EXPLANATION:

Column 62 Marital Status

1 punch = single
2 punch = married
3 punch = separated
4 punch = divorced
5 punch = widowed

Column 63 Sex

F = Female
M = Male

Columns 64-66, 67-69, 70-72, and 74-76

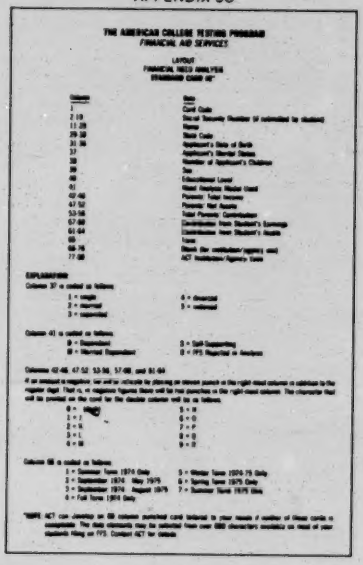
If an amount is negative, we will so indicate by placing an eleven punch in the right-most column in addition to the regular digit. That is, in negative figures there will be two punches in the right-most column. The character that will be printed on the card for the double punched column will be as follows:

0 = (blank)	5 = N
1 = J	6 = O
2 = K	7 = P
3 = L	8 = Q
4 = M	9 = R

Column 73 is coded as follows:

0 = Dependent
1 = Self-Supporting
0 = Married Dependent
0 = FFS Reported in Analysis

APPENDIX 5C


THE AMERICAN COLLEGE TESTING PROGRAM
FINANCIAL AID SERVICES
LAYOUT
FINANCIAL NEED ANALYSIS
STANDARD CARD #2

Column	Data
1	Card Code
2-10	Social Security Number (if submitted by student)
11-26	Name
29-30	State Code
31-36	Applicant's Date of Birth
37	Applicant's Marital Status
38	Number of Applicant's Children
39	Sex
40	Educational Level
41	Need Analysis Model Used
42-46	Parents' Total Income
47-52	Parents' Net Assets
53-56	Total Parents' Contribution
57-60	Contribution from Student's Earnings
61-64	Contribution from Student's Assets
65	Tens
66-76	Blank (for institution/agency use)
77-80	ACT Institution/Agency Code

EXPLANATION:

Column 37 is coded as follows:

1 = single
2 = married
3 = separated
4 = divorced
5 = widowed

Column 41 is coded as follows:

0 = Dependent
0 = Married Dependent
0 = Self-Supporting
0 = FFS Reported in Analysis

Columns 42-46, 47-52, 53-56, 57-60, and 61-64

If an amount is negative, we will so indicate by placing an eleven punch in the right-most column in addition to the regular digit. That is, in negative figures there will be two punches in the right-most column. The character that will be printed on the card for the double column will be as follows:

0 = (blank)	5 = N
1 = J	6 = O
2 = K	7 = P
3 = L	8 = Q
4 = M	9 = R

Column 65 is coded as follows:

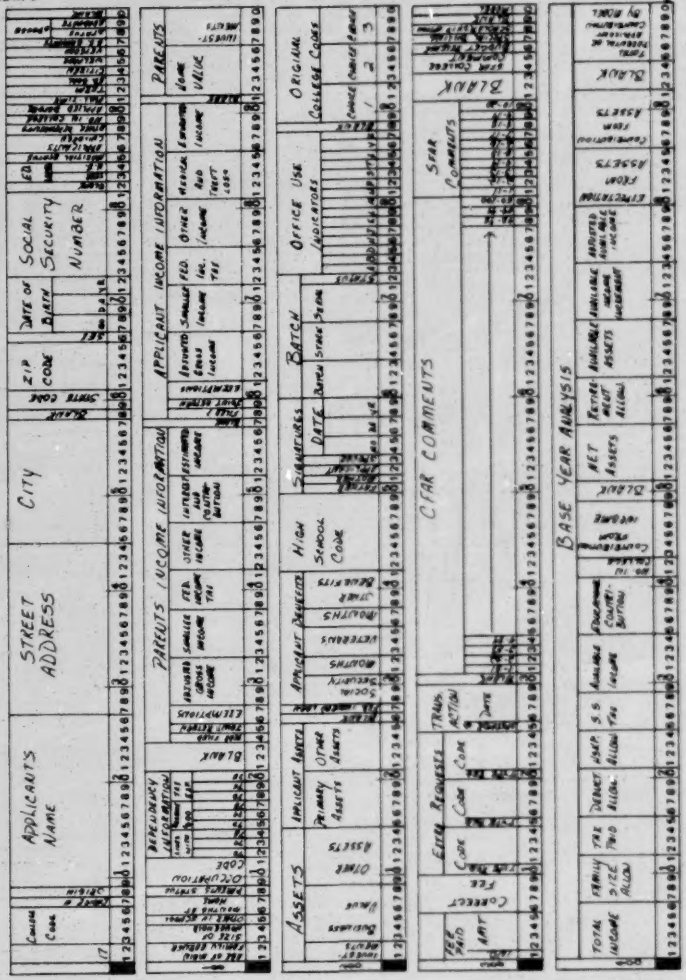
1 = Summer Term 1974 Only
2 = September 1974 - May 1975
3 = September 1974 - August 1975
4 = Full Term 1974 Only
5 = Winter Term 1974-75 Only
6 = Spring Term 1975 Only
7 = Summer Term 1975 Only

*NOTE: ACT can develop an 80 column punched card tailored to your needs if number of these cards is acceptable. The data elements may be selected from over 600 characters available on most of your students filing on FFS. Contact ACT for details.

BEST COPY AVAILABLE

CFAR MASTER FILE TAPE LAYOUT

(PAGE 1 OF 2)

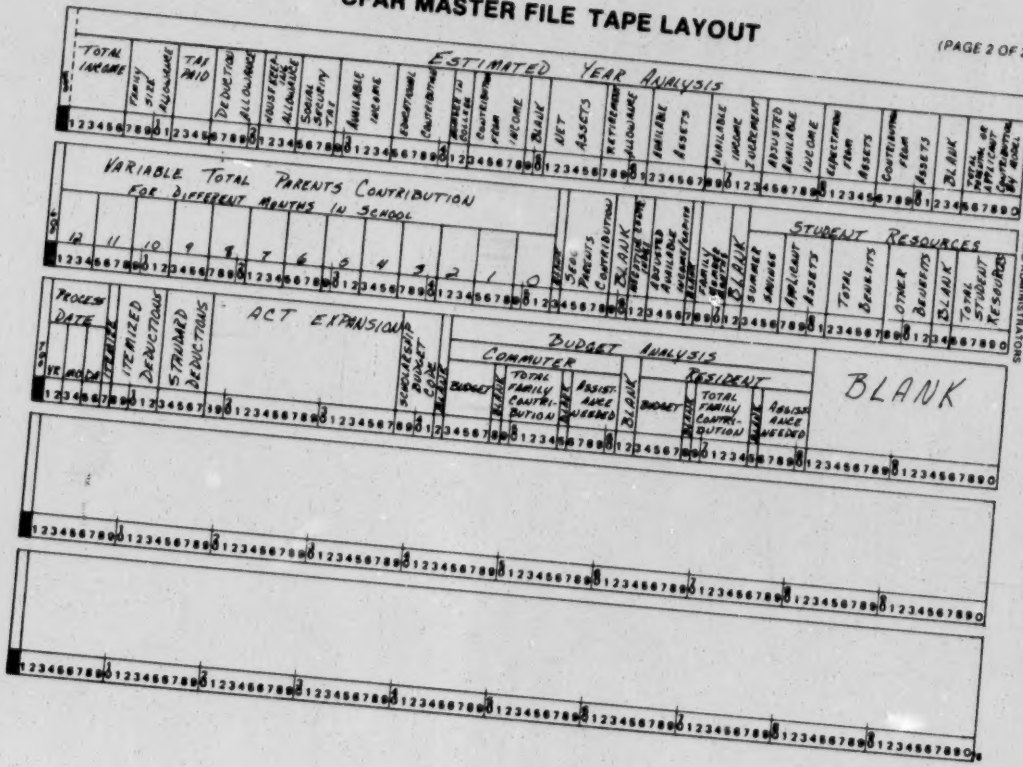


[Continued]

CFAR MASTER FILE TAPE LAYOUT

(PAGE 2 OF 2) 78

HANDBOOK FOR FINANCIAL AID ADMINISTRATORS



BEST COPY AVAILABLE

BEST COPY AVAILABLE

FINANCIAL NEED ANALYSIS LIST REPORT 1974-75

NAME OF APPLICANT	CITY	STATE	ZIP	SOCIAL SECURITY NUMBER	EX. LEVEL	MARITAL	TERM APPLIED FOR	CONTRIBUTIONS FROM CURRENT FFS: PARENTS' INCOME	PARENTS' ASSETS	STUDENT	TOTAL FAMILY	TOTAL FAMILY INCOME	TOTAL FAMILY CONTRIBUTION LAST YEAR				

DATE PAGE

256 BEST COPY AVAILABLE

THE AMERICAN COLLEGE TESTING PROGRAM Financial Aid Operations P. O. BOX 1000, IOWA CITY, IOWA 52240
PHONE 319/351-4470

BUDGET QUESTIONNAIRE -
Institution/Agency Data 1974-75

(For students applying for financial aid during the period September 1, 1974 through August 31, 1975)

TO THE FINANCIAL AID ADMINISTRATOR

The student expense figures (budgets) which are requested on page 2 will be used to complete the financial need analysis for you on a majority of your aid applicants filing a Family Financial Statement (FFS). This will be done on the Student Need Analysis Service output document, the Comprehensive Financial Aid Report (CFAR), by subtracting the ACT computed "Total Family Contribution" from budgets you provide. Your input is more essential than ever due to a new and more sensitive analysis described below.

The most important component of ACT's Total Family Contribution in the dependent student model is the Parents' Contribution (PC). In previous years ACT provided one PC figure resulting from a calculation which included, among other allowances, a family size (maintenance) allowance that assumed the applicant would live at home 3 months and away 9 months. This PC was added to "Total Student Resources" and the sum was subtracted from your budget to produce "Assistance Needed."

In the 1974-75 system, ACT will no longer just make this 9-month school year, 3-month home maintenance assumption. Rather, ACT will provide an analysis which assumes the applicant is at home as many months as he/she is not "maintained" in your budget. In fact, 13 different assumptions will be made by the computer for every applicant by using a maintenance allowance of 12 months through zero (0) months each in succession. A chart similar to the one below will be printed as a footnote to every CFAR for dependent students.

IF MONTHS APPLICANT MAINTAINED IN SCHOOL BUDGET ARE:

	12 mo	11 mo	10 mo	9 mo	8 mo	7 mo	6 mo	5 mo	4 mo	3 mo	2 mo	1 mo	0 mo
PC =	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

This additional service does not complicate the one analysis printed in the Financial Need Analysis section of the CFAR. It does require, however, that you tell ACT which Parents' Contribution is appropriate to use in computing need under your unique budgets. Please insert in Box "L" the number of months of applicant maintenance included in each of your budgets.

We trust this new approach will accommodate the variety of circumstances now confronting postsecondary students and administrators. Such former "hand compute" cases as late decisions for summer school attendance, variable application periods, Federally Insured Student Loan applications, nontraditional length of school term, etc., can be avoided by using the new variable PC Table on the CFAR.

(Go to next page)

BEST COPY AVAILABLE

(A) ACT CODE

(B) Student Assistance Administrator's Name

(C) Administrator's Title

(D) Name of Institution or Agency

(E) Street Address

(F) City

(G) Zip

(H) State Code (See codes at left)

(I) Phone AREA

(J) Office of Education (OE) Vendor Number (optional)

STATE CODES

(Use Code of Your State of Residence)

Ala.	01
Alaska	02
Ariz.	03
Ark.	04
Calif.	05
Colo.	06
Conn.	07
Del.	08
D.C.	09
Fla.	10
Ga.	11
Hawaii	12
Idaho	13
Ill.	14
Ind.	15
Iowa	16
Kans.	17
Ky.	18
La.	19
Maine	20
Md.	21
Mass.	22
Mich.	23
Minn.	24
Miss.	25
Mo.	26
Mont.	27
Nebr.	28
Nev.	29
N. H.	30
N. J.	31
N. M.	32
N. Y.	33
N. C.	34
N. D.	35
Ohio	36
Okla.	37
Oregon	38
Pa.	39
R. I.	40
S. C.	41
S. D.	42
Tenn.	43
Tex.	44
Utah	45
Vt.	46
Va.	47
Wash.	48
W. Va.	49
Wis.	50
Wyo.	51
Canada	53
All Others	56

(K$_1$) DEPENDENT STUDENTS

Student Maintenance Budget[1] Items *(Direct Educational Costs listed in A1.)*	SINGLE DEPENDENT STUDENTS Resident*	Commuter**
Food		
Housing (or leave "Food" blank and enter Rm. & Bd. here)		
Transportation		
Clothing		
Personal Care		
Medical Care		
Other Consumption		
Other Items		

*A resident student is defined as one who lives in facilities provided by the institution or private facilities other than his/her parents' or guardian's home.

**A commuter student is defined as one who lives in the college community with his/her parents.

[1] Aid administrators may find the following references helpful in constructing budgets.

James B. Allen, and Elizabeth W. Suchar, *Student Expenses at Postsecondary Institutions*, College Entrance Examination Board, 1973.
Elizabeth W. Haven, and Dwight H. Horch, *How College Students Finance Their Education*, College Entrance Examination Board, 1973.
Keith J. Jepsen, E. James Maxey, and Joe B. Henry, "Student Expenditure Patterns," *Journal of Student Financial Aid*, Vol. 3, No. 3, November 1973.
W. W. McMahon, and A. P. Wagner, *A Study of The College Investment Decision*, Research Report 59, The American College Testing Program, Research and Development Division, July 1973.

BEST COPY AVAILABLE

SELF-SUPPORTING STUDENTS

The 1974-75 ACT self-supporting student analysis includes an appropriate 12-month maintenance allowance for single, married, and single head-of-household students. The allowance provides for the maintenance of all family members including children. The direct educational costs incurred by all students (see below) will be added in the analysis to determine need.

An institution or agency may add or subtract its own self-determined adjustment to these "standard" maintenance allowances where local research indicates this is appropriate.

ALL STUDENTS
Direct Educational Expenses

(M) Tuition and Fees — In-State ☐☐☐☐ — Out-of-State ☐,☐☐☐ (N) Books and Supplies ☐☐☐

INSTITUTION and AGENCY OPTIONS

(O) SFAR Comment Message

It will be possible for you to relay a message to the student after ACT has received the Family Financial Statement (FFS). When ACT sends its data verification document, the Student Financial Aid Report (SFAR), to the student which ONE of the following comments, if any, do you wish printed next to your code on his/her SFAR? Please circle the comment desired, if any.

a (For Act use only) - There is no school for this code. Please review your coded choices and submit the correct code on the Additional College Report Request.
b (Your Code) - will request additional application information if required.
c (Your Code) - requires both admission and financial aid application.
d (Your Code) - requires admission application to be considered for aid.
e (Your Code) - contact aid officer to insure all forms are complete.
f (Your Code) - send aid officer your Social Security Number. (Used only if student does not list a Social Security Number.)
g (Your Code) - requires Page 4 of FFS Instruction/Worksheet.
h (Your Code) - encourages parental data even if self-supporting.
i (Your Code) - requires all students to report scores from ACT Assessment.
j (Your Code) - requires parental data even if self-supporting.
k (Your Code) - aid application required at college if not already submitted.
l (Your Code) - will contact student concerning aid application results.
m (Your Code) -

☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

(Submit your own copy. Leave a space between words. Use space for punctuation.)

(P) Punched Card Output

ACT will furnish one of two standard format punched cards free OR a card in a special format, tailored to your needs, on an at-cost basis. The format (information and its position on the card) for the standard cards is enclosed. For the special card, which will be designed in consultation with you, 80 characters may be selected from over 800 available on most of your FFS filers. Should you wish a punched card for each of your students check which card you prefer, if any.

☐ Standard Card 1 ☐ Standard Card 2 ☐ Special Card (Contact ACT to make arrangements.)

(Q) Magnetic Tape Output

ACT can supply computer readable magnetic tape containing records of all your FFS filers during a given period and/or at the end of the year. Each student's record may contain over 800 characters of information collected on the FFS. This service is provided on an at-cost basis. Contact ACT if you wish additional information.

BEST COPY AVAILABLE

(R) Agencies, State Student Assistance Programs, etc. (Institutions should not answer this question. See item U.)

Certain agencies, such as State Scholarship Commissions, wish to use the budget information of the institution which the student/applicant is attending or most likely to attend. ACT offers this option. If you choose to use it, you should NOT provide any other budget information on this form. ACT will use the budget and resulting need analysis for the institution that the student/applicant has listed as his/her first choice institution providing that institution has agreed to release their budget information. (See item U.) If he/she has listed your code first on the FFS, ACT will use the budget information of the code next following yours. You will be informed of the code of the institution whose budget is being used in this calculation. Check here if you choose to use this option. ☐ YES ☐ NO

(S) Estimated Summer Savings or Self-help Expectation

Many institutions or agencies expect certain students to provide a fixed self-help resource, usually from summer savings, in the aid application process. These figures vary greatly from region to region and within regions from school to school. You may use your own figures or the following standard figures.

	Male	Female
Freshmen	$400	$300
Sophomores	500	350
Juniors	600	400
Seniors	600	400
Graduates	600	400

Please indicate your preference by checking one of these boxes. ☐ Use the figures above ☐ Use my figures as listed below

If you wish, NO amount to be expected for a given category or all categories, enter zeros where appropriate.

		Male	Female
Freshmen	(13th Yr.)	$____	$____
Sophomores	(14th Yr.)	$____	$____
Juniors	(15th Yr.)	$____	$____
Seniors	(16th Yr.)	$____	$____
Graduates	(17th Yr.+)	$____	$____

(T) Special Billing Option

This option is specifically intended to assist low income students with payment of their processing fees.
If you choose this option and are the first-choice institution, we will bill your institution for the processing fees of all students who are—

1. dependent and the total parents' contribution is zero;
2. self-supporting and the student contribution is zero;

or

3. all other students whose total family contribution is zero.

Check below if you wish to use this option.
☐ YES ☐ NO

(If you check "yes," ACT will contact you with specific information relative to this option.)

ACT also has special arrangements for batch processing and billing for Educational Opportunity Programs and similar special student programs. Contact ACT if you wish further information about this service.

(U) Release of Your Budget Information

Many governmental agencies, state scholarship programs, and state educational programs ask ACT to provide budget information for institutions and agencies using the ACT Student Need Analysis Service. The option in (R) involves the use of your budget information by those agencies choosing to use the option. However, ACT will not release your budget information without your approval. Please indicate whether ACT may release your budget information to appropriately concerned agencies and institutions. ☐ YES ☐ NO

(V) May ACT have permission to use information contained in your Budget Questionnaire for research purposes? The results of any studies relevant to your work will be made available to you and others interested in student assistance programs. ☐ YES ☐ NO

(W) Please check all of the following categories that apply to your institution or agency.

- ☐ Less than 2 year institution
- ☐ 2 year institution
- ☐ 4 year institution
- ☐ State agency
- ☐ Scholarship Program, not part of a school
- ☐ Vocational/Technical only
- ☐ Public institution
- ☐ Private institution
- ☐ Proprietary School

Date _____

Signature of Authorizing Official _____

Position _____

ACT USE ONLY

BEST COPY AVAILABLE

Table 1

FAMILY SIZE ALLOWANCE

Family Member Months	*Family Size Allowance*	*Family Member Months*	*Family Size Allowance*
12	$2,520	57	$7,770
13	2,650	58	7,860
14	2,780	59	7,950
15	2,910	60	8,040
16	3,040	61	8,110
17	3,170	62	8,180
18	3,300	63	8,250
19	3,430	64	8,320
20	3,560	65	8,390
21	3,690	66	8,460
22	3,820	67	8,530
23	3,950	68	8,600
24	4,080	69	8,670
25	4,210	70	8,740
26	4,340	71	8,810
27	4,470	72	8,880
28	4,600	73	8,940
29	4,730	74	9,000
30	4,860	75	9,060
31	4,990	76	9,120
32	5,120	77	9,180
33	5,250	78	9,240
34	5,380	79	9,300
35	5,510	80	9,360
36	5,640	81	9,420
37	5,750	82	9,480
38	5,860	83	9,540
39	5,970	84	9,600
40	6,080	85	9,660
41	6,190	86	9,720
42	6,300	87	9,780
43	6,410	88	9,840
44	6,520	89	9,900
45	6,630	90	9,960
46	6,740	91	10,020
47	6,850	92	10,080
48	6,960	93	10,140
49	7,050	94	10,200
50	7,140	95	10,260
51	7,230	96	10,320
52	7,320	97	10,380
53	7,410	98	10,440
54	7,500	99	10,500
55	7,590	100	10,560
56	7,680	101 and above	+60/FMM

APPENDIX 10

Table 2

PARENTS' CONTRIBUTION FOR EDUCATION FROM AVAILABLE INCOME 1973-74

ADJUSTED VAILABLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.
≤ 0	0	1,325	467	2,625	941
25	9	1,350	476	2,650	951
50	18	1,375	485	2,675	960
75	26	1,400	494	2,700	969
100	35	1,425	503	2,725	978
125	44	1,450	512	2,750	988
150	53	1,475	521	2,775	997
175	61	1,500	530	2,800	1,006
200	70	1,525	539	2,825	1,015
225	79	1,550	548	2,850	1,025
250	88	1,575	557	2,875	1,034
275	96	1,600	566	2,900	1,043
300	105	1,625	575	2,925	1,052
325	114	1,650	584	2,950	1,062
350	123	1,675	593	2,975	1,071
375	131	1,700	602	3,000	1,080
400	140	1,725	611	3,025	1,090
425	149	1,750	620	3,050	1,099
450	158	1,775	629	3,075	1,109
475	166	1,800	638	3,100	1,118
500	175	1,825	647	3,125	1,128
525	184	1,850	656	3,150	1,137
550	193	1,875	665	3,175	1,147
575	201	1,900	674	3,200	1,156
600	210	1,925	683	3,225	1,166
625	219	1,950	692	3,250	1,175
650	228	1,975	701	3,275	1,185
675	236	2,000	710	3,300	1,194
700	245	2,025	719	3,325	1,204
725	254	2,050	729	3,350	1,213
750	263	2,075	738	3,375	1,223
775	271	2,100	747	3,400	1,232
800	280	2,125	756	3,425	1,242
825	289	2,150	766	3,450	1,251
850	298	2,175	775	3,475	1,261
875	306	2,200	784	3,500	1,270
900	315	2,225	793	3,525	1,280
925	324	2,250	803	3,550	1,289
950	333	2,275	812	3,575	1,299
975	341	2,300	821	3,600	1,308
1,000	350	2,325	830	3,625	1,318
1,025	359	2,350	840	3,650	1,327
1,050	368	2,375	849	3,675	1,337
1,075	377	2,400	858	3,700	1,346
1,100	386	2,425	867	3,725	1,356
1,125	395	2,450	877	3,750	1,365
1,150	404	2,475	886	3,775	1,375
1,175	413	2,500	895	3,800	1,384
1,200	422	2,525	904	3,825	1,394
1,225	431	2,550	914	3,850	1,403
1,250	440	2,575	923	3,875	1,413
1,275	449	2,600	932	3,900	1,422
1,300	458				

[Continued]

BEST COPY AVAILABLE

Table 2 (Continued)

ADJUSTED AVAILABLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.
3,925	1,432	5,225	1,947	6,525	2,527
3,950	1,441	5,250	1,958	6,550	2,539
3,975	1,451	5,275	1,968	6,575	2,550
4,000	1,460	5,300	1,979	6,600	2,562
4,025	1,470	5,325	1,990	6,625	2,574
4,050	1,480	5,350	2,001	6,650	2,586
4,075	1,489	5,375	2,011	6,675	2,597
4,100	1,499	5,400	2,022	6,700	2,609
4,125	1,509	5,425	2,033	6,725	2,621
4,150	1,519	5,450	2,044	6,750	2,633
4,175	1,528	5,475	2,054	6,775	2,644
4,200	1,538	5,500	2,065	6,800	2,656
4,225	1,548	5,525	2,076	6,825	2,668
4,250	1,558	5,550	2,087	6,850	2,680
4,275	1,567	5,575	2,097	6,875	2,691
4,300	1,577	5,600	2,108	6,900	2,703
4,325	1,587	5,625	2,119	6,925	2,715
4,350	1,597	5,650	2,130	6,950	2,727
4,375	1,606	5,675	2,140	6,975	2,738
4,400	1,616	5,700	2,151	7,000	2,750
4,425	1,626	5,725	2,162	7,025	2,763
4,450	1,636	5,750	2,173	7,050	2,776
4,475	1,645	5,775	2,183	7,075	2,788
4,500	1,655	5,800	2,194	7,100	2,801
4,525	1,665	5,825	2,205	7,125	2,814
4,550	1,675	5,850	2,216	7,150	2,827
4,575	1,684	5,875	2,226	7,175	2,839
4,600	1,694	5,900	2,237	7,200	2,852
4,625	1,704	5,925	2,248	7,225	2,865
4,650	1,714	5,950	2,259	7,250	2,878
4,675	1,723	5,975	2,269	7,275	2,890
4,700	1,733	6,000	2,280	7,300	2,903
4,725	1,743	6,025	2,292	7,325	2,916
4,750	1,753	6,050	2,304	7,350	2,929
4,775	1,762	6,075	2,315	7,375	2,941
4,800	1,772	6,100	2,327	7,400	2,954
4,825	1,782	6,125	2,339	7,425	2,967
4,850	1,792	6,150	2,351	7,450	2,980
4,875	1,801	6,175	2,362	7,475	2,992
4,900	1,811	6,200	2,374	7,500	3,005
4,925	1,821	6,225	2,386	7,525	3,018
4,950	1,831	6,250	2,398	7,550	3,031
4,975	1,840	6,275	2,409	7,575	3,043
5,000	1,850	6,300	2,421	7,600	3,056
5,025	1,861	6,325	2,433	7,625	3,069
5,050	1,872	6,350	2,445	7,650	3,082
5,075	1,882	6,375	2,456	7,675	3,094
5,100	1,893	6,400	2,468	7,700	3,107
5,125	1,904	6,425	2,480	7,725	3,120
5,150	1,915	6,450	2,492	7,750	3,133
5,175	1,925	6,475	2,503	7,775	3,145
5,200	1,936	6,500	2,515	7,800	3,158

BEST COPY AVAILABLE

ADJUSTED 'AILABLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.
7,825	3,171	9,125	3,901	10,425	4,642
7,850	3,184	9,150	3,916	10,450	4,657
7,875	3,196	9,175	3,930	10,475	4,671
7,900	3,209	9,200	3,944	10,500	4,685
7,925	3,222	9,225	3,958	10,525	4,699
7,950	3,235	9,250	3,973	10,550	4,714
7,975	3,247	9,275	3,987	10,575	4,728
8,000	3,260	9,300	4,001	10,600	4,742
8,025	3,274	9,325	4,015	10,625	4,756
8,050	3,289	9,350	4,030	10,650	4,771
8,075	3,303	9,375	4,044	10,675	4,785
8,100	3,317	9,400	4,058	10,700	4,799
8,125	3,331	9,425	4,072	10,725	4,813
8,150	3,346	9,450	4,087	10,750	4,828
8,175	3,360	9,475	4,101	10,775	4,842
8,200	3,374	9,500	4,115	10,800	4,856
8,225	3,388	9,525	4,129	10,825	4,870
8,250	3,403	9,550	4,144	10,850	4,885
8,275	3,417	9,575	4,158	10,875	4,899
8,300	3,431	9,600	4,172	10,900	4,913
8,325	3,445	9,625	4,186	10,925	4,927
8,350	3,460	9,650	4,201	10,950	4,942
8,375	3,474	9,675	4,215	10,975	4,956
8,400	3,488	9,700	4,229	11,000	4,970
8,425	3,502	9,725	4,243	11,025	4,984
8,450	3,517	9,750	4,258	11,050	4,999
8,475	3,531	9,775	4,272	11,075	5,013
8,500	3,545	9,800	4,286	11,100	5,027
8,525	3,559	9,825	4,300	11,125	5,041
8,550	3,574	9,850	4,315	11,150	5,056
8,575	3,588	9,875	4,329	11,175	5,070
8,600	3,602	9,900	4,343	11,200	5,084
8,625	3,616	9,925	4,357	11,225	5,098
8,650	3,631	9,950	4,372	11,250	5,113
8,675	3,645	9,975	4,386	11,275	5,127
8,700	3,659	10,000	4,400	11,300	5,141
8,725	3,673	10,025	4,414	11,325	5,155
8,750	3,688	10,050	4,429	11,350	5,170
8,775	3,702	10,075	4,443	11,375	5,184
8,800	3,716	10,100	4,457	11,400	5,198
8,825	3,730	10,125	4,471	11,425	5,212
8,850	3,745	10,150	4,486	11,450	5,227
8,875	3,759	10,175	4,500	11,475	5,241
8,900	3,773	10,200	4,514	11,500	5,255
8,925	3,787	10,225	4,528	11,525	5,269
8,950	3,802	10,250	4,543	11,550	5,284
8,975	3,816	10,275	4,557	11,575	5,298
9,000	3,830	10,300	4,571	11,600	5,312
9,025	3,844	10,325	4,585	11,625	5,326
9,050	3,859	10,350	4,600	11,650	5,341
9,075	3,873	10,375	4,614	11,675	5,355
9,100	3,8[illegible]	10,400	4,628	11,700	5,369

[Continued]

BEST COPY AVAILABLE

Table 2 [*Continued*]

ADJUSTED AVAILABLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.
11,725	5,383	13,025	6,124	14,325	6,865
11,750	5,398	13,050	6,139	14,350	6,880
11,775	5,412	13,075	6,153	14,375	6,894
11,800	5,426	13,100	6,167	14,400	6,908
11,825	5,440	13,125	6,181	14,425	6,922
11,850	5,455	13,150	6,196	14,450	6,937
11,875	5,469	13,175	6,210	14,475	6,951
11,900	5,483	13,200	6,224	14,500	6,965
11,925	5,497	13,225	6,238	14,525	6,979
11,950	5,512	13,250	6,253	14,550	6,994
11,975	5,526	13,275	6,267	14,575	7,008
12,000	5,540	13,300	6,281	14,600	7,022
12,025	5,554	13,325	6,295	14,625	7,036
12,050	5,569	13,350	6,310	14,650	7,051
12,075	5,583	13,375	6,324	14,675	7,065
12,100	5,597	13,400	6,338	14,700	7,079
12,125	5,611	13,425	6,352	14,725	7,093
12,150	5,626	13,450	6,367	14,750	7,108
12,175	5,640	13,475	6,381	14,775	7,122
12,200	5,654	13,500	6,395	14,800	7,136
12,225	5,668	13,525	6,409	14,825	7,150
12,250	5,683	13,550	6,424	14,850	7,165
12,275	5,697	13,575	6,438	14,875	7,179
12,300	5,711	13,600	6,452	14,900	7,193
12,325	5,725	13,625	6,466	14,925	7,207
12,350	5,740	13,650	6,481	14,950	7,222
12,375	5,754	13,675	6,495	14,975	7,236
12,400	5,768	13,700	6,509	15,000	7,250
12,425	5,782	13,725	6,523	15,025	7,264
12,450	5,797	13,750	6,538	15,050	7,279
12,475	5,811	13,775	6,552	15,075	7,293
12,500	5,825	13,800	6,566	15,100	7,307
12,525	5,839	13,825	6,580	15,125	7,321
12,550	5,854	13,850	6,595	15,150	7,336
12,575	5,868	13,875	6,609	15,175	7,350
12,600	5,882	13,900	6,623	15,200	7,364
12,625	5,896	13,925	6,637	15,225	7,378
12,650	5,911	13,950	6,652	15,250	7,393
12,675	5,925	13,975	6,666	15,275	7,407
12,700	5,939	14,000	6,680	15,300	7,421
12,725	5,953	14,025	6,694	15,325	7,435
12,750	5,968	14,050	6,709	15,350	7,450
12,775	5,982	14,075	6,723	15,375	7,464
12,800	5,996	14,100	6,737	15,400	7,478
12,825	6,010	14,125	6,751	15,425	7,492
12,850	6,025	14,150	6,766	15,450	7,507
12,875	6,039	14,175	6,780	15,475	7,521
12,900	6,053	14,200	6,794	15,500	7,535
12,925	6,067	14,225	6,808	15,525	7,549
12,950	6,082	14,250	6,823	15,550	7,564
12,975	6,096	14,275	6,837	15,575	7,578
13,000	6,110	14,300	6,851	15,600	7,592

BEST COPY AVAILABLE

ADJUSTED AVAILABLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.
15,625	7,606	16,925	8,347	18,225	9,088
15,650	7,621	16,950	8,362	18,250	9,103
15,675	7,635	16,975	8,376	18,275	9,117
15,700	7,649	17,000	8,390	18,300	9,131
15,725	7,663	17,025	8,404	18,325	9,145
15,750	7,678	17,050	8,419	18,350	9,160
15,775	7,692	17,075	8,433	18,375	9,174
15,800	7,706	17,100	8,447	18,400	9,188
15,825	7,720	17,125	8,461	18,425	9,202
15,850	7,735	17,150	8,476	18,450	9,217
15,875	7,749	17,175	8,490	18,475	9,231
15,900	7,763	17,200	8,504	18,500	9,245
15,925	7,777	17,225	8,518	18,525	9,259
15,950	7,792	17,250	8,533	18,550	9,274
15,975	7,806	17,275	8,547	18,575	9,288
16,000	7,820	17,300	8,561	18,600	9,302
16,025	7,834	17,325	8,575	18,625	9,316
16,050	7,849	17,350	8,590	18,650	9,331
16,075	7,863	17,375	8,604	18,675	9,345
16,100	7,877	17,400	8,618	18,700	9,359
16,125	7,891	17,425	8,632	18,725	9,373
16,150	7,906	17,450	8,647	18,750	9,388
16,175	7,920	17,475	8,661	18,775	9,402
16,200	7,934	17,500	8,675	18,800	9,416
16,225	7,948	17,525	8,689	18,825	9,430
16,250	7,963	17,550	8,704	18,850	9,445
16,275	7,977	17,575	8,718	18,875	9,459
16,300	7,991	17,600	8,732	18,900	9,473
16,325	8,005	17,625	8,746	18,925	9,487
16,350	8,020	17,650	8,761	18,950	9,502
16,375	8,034	17,675	8,775	18,975	9,516
16,400	8,048	17,700	8,789	19,000	9,530
16,425	8,062	17,725	8,803	19,025	9,544
16,450	8,077	17,750	8,818	19,050	9,559
16,475	8,091	17,775	8,832	19,075	9,573
16,500	8,105	17,800	8,846	19,100	9,587
16,525	8,119	17,825	8,860	19,125	9,601
16,550	8,134	17,850	8,875	19,150	9,616
16,575	8,148	17,875	8,889	19,175	9,630
16,600	8,162	17,900	8,903	19,200	9,644
16,625	8,176	17,925	8,917	19,225	9,658
16,650	8,191	17,950	8,932	19,250	9,673
16,675	8,205	17,975	8,946	19,275	9,687
16,700	8,219	18,000	8,960	19,300	9,701
16,725	8,233	18,025	8,974	19,325	9,715
16,750	8,248	18,050	8,989	19,350	9,730
16,775	8,262	18,075	9,003	19,375	9,744
16,800	8,276	18,100	9,017	19,400	9,758
16,825	8,290	18,125	9,031	19,425	9,772
16,850	8,305	18,150	9,046	19,450	9,787
16,875	8,319	18,175	9,060	19,475	9,801
16,900	8,333	18,200	9,074	19,500	9,815

[Continued]

31-506 O - 74 - 18

BEST COPY AVAILABLE

Table 2 *[Continued]*

ADJUSTED AVAILABLE INCOME	CONTRIB.	ADJUSTED AVAILIBLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.
19,525	9,829	20,825	10,570	22,125	11,311
19,550	9,844	20,850	10,585	22,150	11,326
19,575	9,858	20,875	10,599	22,175	11,340
19,600	9,872	20,900	10,613	22,200	11,354
19,625	9,886	20,925	10,627	22,225	11,368
19,650	9,901	20,950	10,642	22,250	11,383
19,675	9,915	20,975	10,656	22,275	11,397
19,700	9,929	21,000	10,670	22,300	11,411
19,725	9,943	21,025	10,684	22,325	11,425
19,750	9,958	21,050	10,699	22,350	11,440
19,775	9,972	21,075	10,713	22,375	11,454
19,800	9,986	21,100	10,727	22,400	11,468
19,825	10,000	21,125	10,741	22,425	11,482
19,850	10,015	21,150	10,756	22,450	11,497
19,875	10,029	21,175	10,770	22,475	11,511
19,900	10,043	21,200	10,784	22,500	11,525
19,925	10,057	21,225	10,798	22,525	11,539
19,950	10,072	21,250	10,813	22,550	11,554
19,975	10,086	21,275	10,827	22,575	11,568
20,000	10,100	21,300	10,841	22,600	11,582
20,025	10,114	21,325	10,855	22,625	11,596
20,050	10,129	21,350	10,870	22,650	11,611
20,075	10,143	21,375	10,884	22,675	11,625
20,100	10,157	21,400	10,898	22,700	11,639
20,125	10,171	21,425	10,912	22,725	11,653
20,150	10,186	21,450	10,927	22,750	11,668
20,175	10,200	21,475	10,941	22,775	11,682
20,200	10,214	21,500	10,955	22,800	11,696
20,225	10,228	21,525	10,969	22,825	11,710
20,250	10,243	21,550	10,984	22,850	11,725
20,275	10,257	21,575	10,998	22,875	11,739
20,300	10,271	21,600	11,012	22,900	11,753
20,325	10,285	21,625	11,026	22,925	11,767
20,350	10,300	21,650	11,041	22,950	11,782
20,375	10,314	21,675	11,055	22,975	11,796
20,400	10,328	21,700	11,069	23,000	11,810
20,425	10,342	21,725	11,083	23,025	11,824
20,450	10,357	21,750	11,098	23,050	11,839
20,475	10,371	21,775	11,112	23,075	11,853
20,500	10,385	21,800	11,126	23,100	11,867
20,525	10,399	21,825	11,140	23,125	11,881
20,550	10,414	21,850	11,155	23,150	11,896
20,575	10,428	21,875	11,169	23,175	11,910
20,600	10,442	21,900	11,183	23,200	11,924
20,625	10,456	21,925	11,197	23,225	11,938
20,650	10,471	21,950	11,212	23,250	11,953
20,675	10,485	21,975	11,226	23,275	11,967
20,700	10,499	22,000	11,240	23,300	11,981
20,725	10,513	22,025	11,254	23,325	11,995
20,750	10,528	22,050	11,269	23,350	12,010
20,775	10,542	22,075	11,283	23,375	12,024
20,800	10,556	22,100	11,297	23,400	12,038

BEST COPY AVAILABLE

ADJUSTED VAILABLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.	ADJUSTED AVAILABLE INCOME	CONTRIB.
23,425	12,052	24,725	12,793	26,025	13,534
23,450	12,067	24,750	12,808	26,050	13,549
23,475	12,081	24,775	12,822	26,075	13,563
23,500	12,095	24,800	12,836	26,100	13,577
23,525	12,109	24,825	12,850	26,125	13,591
23,550	12,124	24,850	12,865	26,150	13,606
23,575	12,138	24,875	12,879	25,175	13,620
23,600	12,152	24,900	12,893	26,200	13,634
23,625	12,166	24,925	12,907	25,225	13,648
23,650	12,181	24,950	12,922	25,250	13,663
23,675	12,195	24,975	12,936	26,275	13,677
23,700	12,209	25,000	12,950	26,300	13,691
23,725	12,223	25,025	12,964	26,325	13,705
23,750	12,238	25,050	12,979	26,350	13,720
23,775	12,252	25,075	12,993	26,375	13,734
23,800	12,266	25,100	13,007	26,400	13,748
23,825	12,280	25,125	13,021	26,425	13,762
23,850	12,295	25,150	13,036	26,450	13,777
23,875	12,309	25,175	13,050	26,475	13,791
23,900	12,323	25,200	13,064	26,500	13,805
23,925	12,337	25,225	13,078	26,525	13,819
23,950	12,352	25,250	13,093	26,550	13,834
23,975	12,366	25,275	13,107	26,575	13,848
24,000	12,380	25,300	13,121	26,600	13,862
24,025	12,394	25,325	13,135	26,625	13,876
24,050	12,409	25,350	13,150	26,650	13,891
24,075	12,423	25,375	13,164	26,675	13,905
24,100	12,437	25,400	13,178	26,700	13,919
24,125	12,451	25,425	13,192	26,725	13,933
24,150	12,466	25,450	13,207	26,750	13,948
24,175	12,480	25,475	13,221	26,775	13,962
24,200	12,494	25,500	13,235	26,800	13,976
24,225	12,508	25,525	13,249	26,825	13,990
24,250	12,523	25,550	13,264	26,850	14,005
24,275	12,537	25,575	13,278	26,875	14,019
24,300	12,551	25,600	13,292	26,900	14,033
24-325	12,565	25,625	13,306	26,925	14,047
24,350	12,580	25,650	13,321	26,950	14,062
24,375	12,594	25,675	13,335	26,975	14,076
24,400	12,608	25,700	13,349	27,000	14,090
24,425	12,622	25,725	13,363	27,025	14,104
24,450	12,637	25,750	13,378	27,050	14,119
24,475	12,651	25,775	13,392	27,075	14,133
24,500	12,665	25,800	13,406	27,100	14,147
24,525	12,679	25,825	13,420	27,125	14,161
24,550	12,694	25,850	13,435	27,150	14,176
24,575	12,708	25,875	13,449	27,175	14,190
24,600	12,722	25,900	13,463	27,200	14,204
24,625	12,736	25,925	13,477	27,225	14,218
24,650	12,751	25,950	13,492	27,250	14,233
24,675	12,765	25,975	13,506	27,275	14,247
24,700	12,779	26,000	13,520	27,300	14,261

BEST COPY AVAILABLE

EQUATIONS USED TO COMPUTE RETIREMENT ALLOWANCE

In general terms, the Retirement Allowance provided to families will equal the cost of purchasing an annuity due at age 65 that would produce income equal to the moderate retirement budget after considering the savings the family is likely to accumulate before it retires. Specifically, the ACT Retirement Allowance is computed from the following formulation:

$$RA = \left(\frac{10^3 D (1+C)^n}{12 (A)} - \sum_{i=1}^{n} (S \times AI) (1+r)^{i-1} \right) \frac{1}{(1+R)^n}$$

where,

- RA = Retirement Allowance
- D = Estimated difference between moderate retirement budget (retirement income needed) and Social Security budget ($1,400 for retired couples and $1,100 for retired single persons)
- C = Inflation Factor (assumed to be 2%)
- A = Monthly yield per $1,000 of annuity due at 65 ($5.81 for couple for joint and two-thirds survivor; $6.24 for single)
- S = Savings Rate (assumed to be 5%)
- AI = Available Income
- r = Interest Rate on Savings (3.5%)
- R = Discount Rate to determine present value of needed retirement income supplement (3.0%)
- n = Number of years until retirement at age 65

The first part of the equation $\left[\frac{10^3 D (1+C)^n}{12 (A)} \right]$ adjusts the estimated difference between the retirement income needed and the Social Security benefits the family will receive at age 65(D) for the difference between the growth in the retirement budget and the growth in Social Security benefits $(1+C)^n$. To determine the savings required to produce this income, it is multiplied by the annual yield from a $1,000 joint and two-thirds survivor annuity $\left[\frac{10^3}{12 (A)} \right]$.[1]

The second part of the equation $\left[\sum_{i=1}^{n} (S \times AI) (1+r)^{i-1} \right]$ computes the savings the family can be expected to accumulate before age 65 by assuming a savings from Available Income[2] $(S \times AI)$, the compounded interest the savings will earn $[(1+r)^{i-1}]$, and sums this amount over the years until retirement $\left[\sum_{i=1}^{n} \right]$. The second part of the equation (expected savings) is subtracted from the first part (required savings to produce retirement income) and the remainder is discounted to determine the amount of savings required at present $\left[\frac{1}{(1+R)^n} \right]$, which equals the ACT Retirement Allowance.

---

[1]A joint and two-thirds life annuity provides full income payments while both parents are living and provides two-thirds of the amount for the life of the sole survivor.

[2]Because savings are set as a function of Available Income, expected savings and the Retirement Allowance will vary as a function of family size, thereby reflecting the relative cost of maintaining different size families.

BEST COPY AVAILABLE

Table 3A

RETIREMENT ALLOWANCES
(TWO PARENTS)

AVAILABLE INCOME	AGE 35	40	45	50	55	60	64
0	14,990	15,730	16,520	17,350	18,210	19,120	19,890
100	14,880	15,640	16,440	17,280	18,170	19,100	19,880
200	14,770	15,550	16,360	17,220	18,130	19,080	19,880
300	14,670	15,460	16,290	17,160	18,080	19,050	19,870
400	14,560	15,360	16,210	17,100	18,040	19,030	19,870
500	14,450	15,270	16,130	17,040	18,000	19,010	19,860
600	14,350	15,180	16,050	16,980	17,950	18,990	19,860
700	14,240	15,080	15,970	16,910	17,910	18,960	19,850
800	14,130	14,990	15,890	16,850	17,860	18,940	19,850
900	14,030	14,900	15,820	16,790	17,820	18,920	19,840
1,000	13,920	14,800	15,740	16,730	17,780	18,890	19,840
1,100	13,820	14,710	15,660	16,670	17,730	18,870	19,830
1,200	13,710	14,620	15,580	16,600	17,690	18,850	19,830
1,300	13,600	14,530	15,500	16,540	17,650	18,820	19,820
1,400	13,500	14,430	15,420	16,480	17,600	18,800	19,820
1,500	13,390	14,340	15,350	16,420	17,560	18,780	19,810
1,600	13,280	14,250	15,270	16,360	17,520	18,750	19,810
1,700	13,180	14,150	15,190	16,290	17,470	18,730	19,800
1,800	13,070	14,060	15,110	16,230	17,430	18,710	19,800
1,900	12,960	13,970	15,030	16,170	17,380	18,680	19,790
2,000	12,860	13,870	14,950	16,110	17,340	18,660	19,790
2,100	12,750	13,780	14,880	16,050	17,300	18,640	19,780
2,200	12,650	13,690	14,800	15,980	17,250	18,620	19,780
2,300	12,540	13,590	14,720	15,920	17,210	18,590	19,770
2,400	12,430	13,500	14,640	15,860	17,170	18,570	19,770
2,500	12,330	13,410	14,560	15,800	17,120	18,550	19,760
2,600	12,220	13,320	14,490	15,740	17,080	18,520	19,760
2,700	12,110	13,220	14,410	15,670	17,040	18,500	19,750
2,800	12,010	13,130	14,330	15,610	16,990	18,480	19,750
2,900	11,900	13,040	14,250	15,550	16,950	18,450	19,740
3,000	11,790	12,940	14,170	15,490	16,900	18,430	19,740
3,100	11,690	12,850	14,090	15,430	16,860	18,410	19,730
3,200	11,580	12,760	14,020	15,360	16,820	18,380	19,730
3,300	11,480	12,660	13,940	15,300	16,770	18,360	19,730
3,400	11,370	12,570	13,860	15,240	16,730	18,340	19,720
3,500	11,260	12,480	13,780	15,180	16,690	18,310	19,720
3,600	11,160	12,390	13,700	15,120	16,640	18,290	19,710
3,700	11,050	12,290	13,620	15,060	16,600	18,270	19,710
3,800	10,940	12,200	13,550	14,990	16,560	18,250	19,700
3,900	10,840	12,110	13,470	14,930	16,510	18,220	19,700
4,000	10,730	12,010	13,390	14,870	16,470	18,200	19,690
4,100	10,630	11,920	13,310	14,810	16,420	18,180	19,690
4,200	10,520	11,830	13,230	14,750	16,380	18,150	19,680
4,300	10,410	11,730	13,150	14,680	16,340	18,130	19,680
4,400	10,310	11,640	13,080	14,620	16,290	18,110	19,670
4,500	10,200	11,550	13,000	14,560	16,250	18,080	19,670
4,600	10,090	11,460	12,920	14,500	16,210	18,060	19,660
4,700	9,990	11,360	12,840	14,440	16,160	18,040	19,660
4,800	9,880	11,270	12,760	14,370	16,120	18,010	19,650
4,900	9,770	11,180	12,680	14,310	16,080	17,990	19,650
5,000	9,670	11,080	12,610	14,250	16,030	17,970	19,640

(Continued)

BEST COPY AVAILABLE

Table 3A [Continued]

AVAILABLE INCOME	AGE 35	40	45	50	55	60	64
5,100	9,560	10,990	12,530	14,190	15,990	17,940	19,640
5,200	9,460	10,900	12,450	14,130	15,940	17,920	19,630
5,300	9,350	10,800	12,370	14,060	15,900	17,900	19,630
5,400	9,240	10,710	12,290	14,000	15,860	17,880	19,620
5,500	9,140	10,620	12,210	13,940	15,810	17,850	19,620
5,600	9,030	10,530	12,140	13,880	15,770	17,830	19,610
5,700	8,920	10,430	12,060	13,820	15,730	17,810	19,610
5,800	8,820	10,340	11,980	13,750	15,680	17,780	19,600
5,900	8,710	10,250	11,900	13,690	15,640	17,760	19,600
6,000	8,600	10,150	11,820	13,630	15,600	17,740	19,590
6,100	8,500	10,060	11,750	13,570	15,550	17,710	19,590
6,200	8,390	9,970	11,670	13,510	15,510	17,690	19,580
6,300	8,290	9,870	11,590	13,450	15,460	17,670	19,580
6,400	8,180	9,780	11,510	13,380	15,420	17,640	19,570
6,500	8,070	9,690	11,430	13,320	15,380	17,620	19,570
6,600	7,970	9,600	11,350	13,260	15,330	17,600	19,560
6,700	7,860	9,500	11,280	13,200	15,290	17,570	19,560
6,800	7,750	9,410	11,200	13,140	15,250	17,550	19,560
6,900	7,650	9,320	11,120	13,070	15,200	17,530	19,550
7,000	7,540	9,220	11,040	13,010	15,160	17,510	19,550
7,100	7,430	9,130	10,960	12,950	15,110	17,480	19,540
7,200	7,330	9,040	10,880	12,890	15,070	17,460	19,540
7,300	7,220	8,940	10,810	12,830	15,030	17,440	19,530
7,400	7,120	8,850	10,730	12,760	14,980	17,410	19,530
7,500	7,010	8,760	10,650	12,700	14,940	17,390	19,520
7,600	6,900	8,670	10,570	12,640	14,900	17,370	19,520
7,700	6,800	8,570	10,490	12,580	14,850	17,340	19,510
7,800	6,690	8,480	10,410	12,520	14,810	17,320	19,510
7,900	6,580	8,390	10,340	12,450	14,770	17,300	19,500
8,000	6,480	8,290	10,260	12,390	14,720	17,270	19,500
8,100	6,370	8,200	10,180	12,330	14,680	17,250	19,490
8,200	6,270	8,110	10,100	12,270	14,630	17,230	19,490
8,300	6,160	8,010	10,020	12,210	14,590	17,200	19,480
8,400	6,050	7,920	9,940	12,140	14,550	17,180	19,480
8,500	5,950	7,830	9,870	12,080	14,500	17,160	19,470
8,600	5,840	7,740	9,790	12,020	14,460	17,140	19,470
8,700	5,730	7,640	9,710	11,960	14,420	17,110	19,460
8,800	5,630	7,550	9,630	11,900	14,370	17,090	19,460
8,900	5,520	7,460	9,550	11,840	14,330	17,070	19,450
9,000	5,410	7,360	9,470	11,770	14,290	17,040	19,450
9,100	5,310	7,270	9,400	11,710	14,240	17,020	19,440
9,200	5,200	7,180	9,320	11,650	14,200	17,000	19,440
9,300	5,100	7,080	9,240	11,590	14,150	16,970	19,430
9,400	4,990	6,990	9,160	11,530	14,110	16,950	19,430
9,500	4,880	6,900	9,080	11,460	14,070	16,930	19,420
9,600	4,780	6,800	9,010	11,400	14,020	16,900	19,420
9,700	4,670	6,710	8,930	11,340	13,980	16,880	19,410
9,800	4,560	6,620	8,850	11,280	13,940	16,860	19,410
9,900	4,460	6,530	8,770	11,220	13,890	16,830	19,400
10,000	4,350	6,430	8,690	11,150	13,850	16,810	19,400
10,100	4,240	6,340	8,610	11,090	13,810	16,790	19,400

BEST COPY AVAILABLE

AVAILABLE INCOME	AGE 35	40	45	50	55	60	64
10,200	4,140	6,250	8,540	11,030	13,760	16,770	19,390
10,300	4,030	6,150	8,460	10,970	13,720	16,740	19,390
10,400	3,930	6,060	8,380	10,910	13,670	16,720	19,380
10,500	3,820	5,970	8,300	10,840	13,630	16,700	19,380
10,600	3,710	5,870	8,220	10,780	13,590	16,670	19,370
10,700	3,610	5,780	8,140	10,720	13,540	16,650	19,370
10,800	3,500	5,690	8,070	10,660	13,500	16,630	19,360
10,900	3,390	5,600	7,990	10,600	13,460	16,600	19,360
11,000	3,290	5,500	7,910	10,530	13,410	16,580	19,350
11,100	3,180	5,410	7,830	10,470	13,370	16,560	19,350
11,200	3,080	5,320	7,750	10,410	13,330	16,530	19,340
11,300	2,970	5,220	7,670	10,350	13,280	16,510	19,340
11,400	2,860	5,130	7,600	10,290	13,240	16,490	19,330
11,500	2,760	5,040	7,520	10,230	13,190	16,460	19,330
11,600	2,650	4,940	7,440	10,160	13,150	16,440	19,320
11,700	2,540	4,850	7,360	10,100	13,110	16,420	19,320
11,800	2,440	4,760	7,280	10,040	13,060	16,400	19,310
11,900	2,330	4,670	7,200	9,980	13,020	16,370	19,310
12,000	2,220	4,570	7,130	9,920	12,980	16,350	19,300
12,100	2,120	4,480	7,050	9,850	12,930	16,330	19,300
12,200	2,010	4,390	6,970	9,790	12,890	16,300	19,290
12,300	1,910	4,290	6,890	9,730	12,850	16,280	19,290
12,400	1,800	4,200	6,810	9,670	12,800	16,260	19,280
12,500	1,690	4,110	6,730	9,610	12,760	16,230	19,280
12,600	1,590	4,010	6,660	9,540	12,710	16,210	19,270
12,700	1,480	3,920	6,580	9,480	12,670	16,190	19,270
12,800	1,370	3,830	6,500	9,420	12,630	16,160	19,260
12,900	1,270	3,740	6,420	9,360	12,580	16,140	19,260
13,000	1,160	3,640	6,340	9,300	12,540	16,120	19,250
13,100	1,050	3,550	6,260	9,230	12,500	16,090	19,250
13,200	950	3,460	6,190	9,170	12,450	16,070	19,240
13,300	840	3,360	6,110	9,110	12,410	16,050	19,240
13,400	740	3,270	6,030	9,050	12,370	16,030	19,230
13,500	630	3,180	5,950	8,990	12,320	16,000	19,230
13,600	520	3,080	5,870	8,920	12,280	15,980	19,230
13,700	420	2,990	5,800	8,860	12,230	15,960	19,220
13,800	310	2,900	5,720	8,800	12,190	15,930	19,220
13,900	200	2,810	5,640	8,740	12,150	15,910	19,210
14,000	100	2,710	5,560	8,680	12,100	15,890	19,210
14,100	0	2,620	5,480	8,620	12,060	15,860	19,200
14,200	0	2,530	5,400	8,550	12,020	15,840	19,200
14,300	0	2,430	5,330	8,490	11,970	15,820	19,190
14,400	0	2,340	5,250	8,430	11,930	15,790	19,190
14,500	0	2,250	5,170	8,370	11,890	15,770	19,180
14,600	0	2,150	5,090	8,310	11,840	15,750	19,180
14,700	0	2,060	5,010	8,240	11,800	15,720	19,170
14,800	0	1,970	4,930	8,180	11,750	15,700	19,170
14,900	0	1,880	4,860	8,120	11,710	15,680	19,160
15,000	0	1,780	4,780	8,060	11,670	15,660	19,160
15,100	0	1,690	4,700	8,000	11,620	15,630	19,150
15,200	0	1,600	4,620	7,930	11,580	15,610	19,150

[Continued]

Table 3A (Continued)

BEST COPY AVAILABLE

AVAILABLE INCOME	AGE 35	40	45	50	55	60	64
15,300	0	1,500	4,540	7,870	11,540	15,590	19,140
15,400	0	1,410	4,460	7,810	11,490	15,560	19,140
15,500	0	1,320	4,390	7,750	11,450	15,540	19,130
15,600	0	1,220	4,310	7,690	11,400	15,520	19,130
15,700	0	1,130	4,230	7,620	11,360	15,490	19,120
15,800	0	1,040	4,150	7,560	11,320	15,470	19,120
15,900	0	950	4,070	7,500	11,270	15,450	19,110
16,000	0	850	3,990	7,440	11,230	15,420	19,110
16,100	0	760	3,920	7,380	11,190	15,400	19,100
16,200	0	670	3,840	7,310	11,140	15,380	19,100
16,300	0	570	3,760	7,250	11,100	15,350	19,090
16,400	0	480	3,680	7,190	11,060	15,330	19,090
16,500	0	390	3,600	7,130	11,010	15,310	19,080
16,600	0	290	3,520	7,070	10,970	15,280	19,080
16,700	0	200	3,450	7,010	10,920	15,260	19,070
16,800	0	110	3,370	6,940	10,880	15,240	19,070
16,900	0	10	3,290	6,880	10,840	15,220	19,060
17,000	0	0	3,210	6,820	10,790	15,190	19,060
17,100	0	0	3,130	6,760	10,750	15,170	19,060
17,200	0	0	3,060	6,700	10,710	15,150	19,050
17,300	0	0	2,980	6,630	10,660	15,120	19,050
17,400	0	0	2,900	6,570	10,620	15,100	19,040
17,500	0	0	2,820	6,510	10,580	15,080	19,040
17,600	0	0	2,740	6,450	10,530	15,050	19,030
17,700	0	0	2,660	6,390	10,490	15,030	19,030
17,800	0	0	2,590	6,320	10,440	15,010	19,020
17,900	0	0	2,510	6,260	10,400	14,980	19,020
18,000	0	0	2,430	6,200	10,360	14,960	19,010
18,100	0	0	2,350	6,140	10,310	14,940	19,010
18,200	0	0	2,270	6,080	10,270	14,910	19,000
18,300	0	0	2,190	6,010	10,230	14,890	19,000
18,400	0	0	2,120	5,950	10,180	14,870	18,990
18,500	0	0	2,040	5,890	10,140	14,850	18,990
18,600	0	0	1,960	5,830	10,100	14,820	18,980
18,700	0	0	1,880	5,770	10,050	14,800	18,980
18,800	0	0	1,800	5,700	10,010	14,780	18,970
18,900	0	0	1,720	5,640	9,960	14,750	18,970
19,000	0	0	1,650	5,580	9,920	14,730	18,960
19,100	0	0	1,570	5,520	9,880	14,710	18,960
19,200	0	0	1,490	5,460	9,830	14,680	18,950
19,300	0	0	1,410	5,390	9,790	14,660	18,950
19,400	0	0	1,330	5,330	9,750	14,640	18,940
19,500	0	0	1,250	5,270	9,700	14,610	18,940
19,600	0	0	1,180	5,210	9,660	14,590	18,930
19,700	0	0	1,100	5,150	9,620	14,570	18,930
19,800	0	0	1,020	5,090	9,570	14,540	18,920
19,900	0	0	940	5,020	9,530	14,520	18,920
20,000	0	0	860	4,960	9,480	14,500	18,910
20,100	0	0	780	4,900	9,440	14,480	18,910
20,200	0	0	710	4,840	9,400	14,450	18,900
20,300	0	0	630	4,780	9,350	14,430	18,900

BEST COPY AVAILABLE

AVAILABLE INCOME	AGE 35	40	45	50	55	60	64
20,400	0	0	550	4,710	9,310	14,410	18,900
20,500	0	0	470	4,650	9,270	14,380	18,890
20,600	0	0	390	4,590	9,220	14,360	18,890
20,700	0	0	310	4,530	9,180	14,340	18,880
20,800	0	0	240	4,470	9,140	14,310	18,880
20,900	0	0	160	4,400	9,090	14,290	18,870
21,000	0	0	80	4,340	9,050	14,270	18,870
21,100	0	0	0	4,280	9,000	14,240	18,860
21,200	0	0	0	4,220	8,960	14,220	18,860
21,300	0	0	0	4,160	8,920	14,200	18,850
21,400	0	0	0	4,090	8,870	14,170	18,850
21,500	0	0	0	4,030	8,830	14,150	18,840
21,600	0	0	0	3,970	8,790	14,130	18,840
21,700	0	0	0	3,910	8,740	14,110	18,830
21,800	0	0	0	3,850	8,700	14,080	18,830
21,900	0	0	0	3,780	8,660	14,060	18,820
22,000	0	0	0	3,720	8,610	14,040	18,820
22,100	0	0	0	3,660	8,570	14,010	18,810
22,200	0	0	0	3,600	8,520	13,990	18,810
22,300	0	0	0	3,540	8,480	13,970	18,800
22,400	0	0	0	3,480	8,440	13,940	18,800
22,500	0	0	0	3,410	8,390	13,920	18,790
22,600	0	0	0	3,350	8,350	13,900	18,790
22,700	0	0	0	3,290	8,310	13,870	18,780
22,800	0	0	0	3,230	8,260	13,850	18,780
22,900	0	0	0	3,170	8,220	13,830	18,770
23,000	0	0	0	3,100	8,180	13,800	18,770
23,100	0	0	0	3,040	8,130	13,780	18,760
23,200	0	0	0	2,980	8,090	13,760	18,760
23,300	0	0	0	2,920	8,040	13,740	18,750
23,400	0	0	0	2,860	8,000	13,710	18,750
23,500	0	0	0	2,790	7,960	13,690	18,740
23,600	0	0	0	2,730	7,910	13,670	18,740
23,700	0	0	0	2,670	7,870	13,640	18,730
23,800	0	0	0	2,610	7,830	13,620	18,730
23,900	0	0	0	2,550	7,780	13,600	18,730
24,000	0	0	0	2,480	7,740	13,570	18,720
24,100	0	0	0	2,420	7,700	13,550	18,720
24,200	0	0	0	2,360	7,650	13,530	18,710
24,300	0	0	0	2,300	7,610	13,500	18,710
24,400	0	0	0	2,240	7,560	13,480	18,700
24,500	0	0	0	2,170	7,520	13,460	18,700
24,600	0	0	0	2,110	7,480	13,430	18,690
24,700	0	0	0	2,050	7,430	13,410	18,690
24,800	0	0	0	1,990	7,390	13,390	18,680
24,900	0	0	0	1,930	7,350	13,370	18,680
25,000	0	0	0	1,870	7,300	13,340	18,670

BEST COPY AVAILABLE

TABLE 3B

RETIREMENT ALLOWANCES (ONE PARENT)

AVAILABLE INCOME	AGE 35	40	45	50	55	60	64
0	10,960	11,510	12,090	12,690	13,320	13,990	14,550
100	10,860	11,420	12,010	12,630	13,280	13,970	14,540
200	10,750	11,320	11,930	12,570	13,240	13,940	14,540
300	10,640	11,230	11,850	12,500	13,190	13,920	14,530
400	10,540	11,140	11,770	12,440	13,150	13,900	14,530
500	10,430	11,050	11,690	12,380	13,110	13,880	14,520
600	10,320	10,950	11,620	12,320	13,060	13,850	14,520
700	10,220	10,860	11,540	12,260	13,020	13,830	14,510
800	10,110	10,770	11,460	12,190	12,980	13,810	14,510
900	10,010	10,670	11,380	12,130	12,930	13,780	14,500
1,000	9,900	10,580	11,300	12,070	12,890	13,760	14,500
1,100	9,790	10,490	11,220	12,010	12,840	13,740	14,490
1,200	9,690	10,390	11,150	11,950	12,800	13,710	14,490
1,300	9,580	10,300	11,070	11,890	12,760	13,690	14,480
1,400	9,470	10,210	10,990	11,820	12,710	13,670	14,480
1,500	9,370	10,120	10,910	11,760	12,670	13,640	14,470
1,600	9,260	10,020	10,830	11,700	12,630	13,620	14,470
1,700	9,150	9,930	10,760	11,640	12,580	13,600	14,470
1,800	9,050	9,840	10,680	11,580	12,540	13,570	14,460
1,900	8,940	9,740	10,600	11,510	12,500	13,550	14,460
2,000	8,840	9,650	10,520	11,450	12,450	13,530	14,450
2,100	8,730	9,560	10,440	11,390	12,410	13,510	14,450
2,200	8,620	9,460	10,360	11,330	12,360	13,480	14,440
2,300	8,520	9,370	10,290	11,270	12,320	13,460	14,440
2,400	8,410	9,280	10,210	11,200	12,280	13,440	14,430
2,500	8,300	9,190	10,130	11,140	12,230	13,410	14,430
2,600	8,200	9,090	10,050	11,080	12,190	13,390	14,420
2,700	8,090	9,000	9,970	11,020	12,150	13,370	14,420
2,800	7,990	8,910	9,890	10,960	12,100	13,340	14,410
2,900	7,880	8,810	9,820	10,890	12,060	13,320	14,410
3,000	7,770	8,720	9,740	10,830	12,020	13,300	14,400
3,100	7,670	8,630	9,660	10,770	11,970	13,270	14,400
3,200	7,560	8,530	9,580	10,710	11,930	13,250	14,390
3,300	7,450	8,440	9,500	10,650	11,880	13,230	14,390
3,400	7,350	8,350	9,420	10,580	11,840	13,200	14,380
3,500	7,240	8,260	9,350	10,520	11,800	13,180	14,380
3,600	7,130	8,160	9,270	10,460	11,750	13,160	14,370
3,700	7,030	8,070	9,190	10,400	11,710	13,140	14,370
3,800	6,920	7,980	9,110	10,340	11,670	13,110	14,360
3,900	6,820	7,880	9,030	10,280	11,620	13,090	14,360
4,000	6,710	7,790	8,950	10,210	11,580	13,070	14,350
4,100	6,600	7,700	8,880	10,150	11,540	13,040	14,350
4,200	6,500	7,600	8,800	10,090	11,490	13,020	14,340
4,300	6,390	7,510	8,720	10,030	11,450	13,000	14,340
4,400	6,280	7,420	8,640	9,970	11,400	12,970	14,330
4,500	6,180	7,330	8,560	9,900	11,360	12,950	14,330
4,600	6,070	7,230	8,480	9,840	11,320	12,930	14,320
4,700	5,960	7,140	8,410	9,780	11,270	12,900	14,320
4,800	5,860	7,050	8,330	9,720	11,230	12,880	14,310
4,900	5,750	6,950	8,250	9,660	11,190	12,860	14,310
5,000	5,650	6,860	8,170	9,590	11,140	12,830	14,300

BEST COPY AVAILABLE

AVAILABLE INCOME	AGE 35	40	45	50	55	60	64
5,100	5,540	6,770	8,090	9,530	11,100	12,810	14,300
5,200	5,430	6,670	8,020	9,470	11,060	12,790	14,300
5,300	5,330	6,580	7,940	9,410	11,010	12,760	14,290
5,400	5,220	6,490	7,860	9,350	10,970	12,740	14,290
5,500	5,110	6,390	7,780	9,280	10,920	12,720	14,280
5,600	5,010	6,300	7,700	9,220	10,880	12,700	14,280
5,700	4,900	6,210	7,620	9,160	10,840	12,670	14,270
5,800	4,790	6,120	7,550	9,100	10,790	12,650	14,270
5,900	4,690	6,020	7,470	9,040	10,750	12,630	14,260
6,000	4,580	5,930	7,390	8,970	10,710	12,600	14,260
6,100	4,480	5,840	7,310	8,910	10,660	12,580	14,250
6,200	4,370	5,740	7,230	8,850	10,620	12,560	14,250
6,300	4,260	5,650	7,150	8,790	10,570	12,530	14,240
6,400	4,160	5,560	7,080	8,730	10,530	12,510	14,240
6,500	4,050	5,460	7,000	8,670	10,490	12,490	14,230
6,600	3,940	5,370	6,920	8,600	10,440	12,460	14,230
6,700	3,840	5,280	6,840	8,540	10,400	12,440	14,220
6,800	3,730	5,190	6,760	8,480	10,360	12,420	14,220
6,900	3,630	5,090	6,680	8,420	10,310	12,390	14,210
7,000	3,520	5,000	6,610	8,360	10,270	12,370	14,210
7,100	3,410	4,910	6,530	8,290	10,230	12,350	14,200
7,200	3,310	4,810	6,450	8,230	10,180	12,330	14,200
7,300	3,200	4,720	6,370	8,170	10,140	12,300	14,190
7,400	3,090	4,630	6,290	8,110	10,090	12,280	14,190
7,500	2,990	4,530	6,210	8,050	10,050	12,260	14,180
7,600	2,880	4,440	6,140	7,980	10,010	12,230	14,180
7,700	2,770	4,350	6,060	7,920	9,960	12,210	14,170
7,800	2,670	4,260	5,980	7,860	9,920	12,190	14,170
7,900	2,560	4,160	5,900	7,800	9,880	12,160	14,160
8,000	2,460	4,070	5,820	7,740	9,830	12,140	14,160
8,100	2,350	3,980	5,740	7,670	9,790	12,120	14,150
8,200	2,240	3,880	5,670	7,610	9,750	12,090	14,150
8,300	2,140	3,790	5,590	7,550	9,700	12,070	14,140
8,400	2,030	3,700	5,510	7,490	9,660	12,050	14,140
8,500	1,920	3,600	5,430	7,430	9,610	12,020	14,130
8,600	1,820	3,510	5,350	7,360	9,570	12,000	14,130
8,700	1,710	3,420	5,270	7,300	9,530	11,980	14,130
8,800	1,600	3,330	5,200	7,240	9,480	11,960	14,120
8,900	1,500	3,230	5,120	7,180	9,440	11,930	14,120
9,000	1,390	3,140	5,040	7,120	9,400	11,910	14,110
9,100	1,290	3,050	4,960	7,060	9,350	11,890	14,110
9,200	1,180	2,950	4,880	6,990	9,310	11,860	14,100
9,300	1,070	2,860	4,810	6,930	9,270	11,840	14,100
9,400	970	2,770	4,730	6,870	9,220	11,820	14,090
9,500	860	2,670	4,650	6,810	9,180	11,790	14,090
9,600	750	2,580	4,570	6,750	9,130	11,770	14,080
9,700	650	2,490	4,490	6,680	9,090	11,750	14,080
9,800	540	2,400	4,410	6,620	9,050	11,720	14,070
9,900	440	2,300	4,340	6,560	9,000	11,700	14,070
10,000	330	2,210	4,260	6,500	8,960	11,680	14,060
10,100	220	2,120	4,180	6,440	8,920	11,650	14,060

[Continued]

BEST COPY AVAILABLE

Table 3B [*Continued*]

AVAILABLE INCOME	AGE 35	40	45	50	55	60	64
10,200	120	2,020	4,100	6,370	8,870	11,630	14,050
10,300	10	1,930	4,020	6,310	8,830	11,610	14,050
10,400	0	1,840	3,940	6,250	8,790	11,590	14,040
10,500	0	1,740	3,870	6,190	8,740	11,560	14,040
10,600	0	1,650	3,790	6,130	8,700	11,540	14,030
10,700	0	1,560	3,710	6,060	8,650	11,520	14,030
10,800	0	1,470	3,630	6,000	8,610	11,490	14,020
10,900	0	1,370	3,550	5,940	8,570	11,470	14,020
11,000	0	1,280	3,470	5,880	8,520	11,450	14,010
11,100	0	1,190	3,400	5,820	8,480	11,420	14,010
11,200	0	1,090	3,320	5,750	8,440	11,400	14,000
11,300	0	1,000	3,240	5,690	8,390	11,380	14,000
11,400	0	910	3,160	5,630	8,350	11,350	13,990
11,500	0	810	3,080	5,570	8,310	11,330	13,990
11,600	0	720	3,000	5,510	8,260	11,310	13,980
11,700	0	630	2,930	5,440	8,220	11,280	13,980
11,800	0	540	2,850	5,380	8,170	11,260	13,970
11,900	0	440	2,770	5,320	8,130	11,240	13,970
12,000	0	350	2,690	5,260	8,090	11,220	13,970
12,100	0	260	2,610	5,200	8,040	11,190	13,960
12,200	0	160	2,530	5,140	8,000	11,170	13,960
12,300	0	70	2,460	5,070	7,960	11,150	13,950
12,400	0	0	2,380	5,010	7,910	11,120	13,950
12,500	0	0	2,300	4,950	7,870	11,100	13,940
12,600	0	0	2,220	4,890	7,830	11,080	13,940
12,700	0	0	2,140	4,830	7,780	11,050	13,930
12,800	0	0	2,070	4,760	7,740	11,030	13,930
12,900	0	0	1,990	4,700	7,690	11,010	13,920
13,000	0	0	1,910	4,640	7,650	10,980	13,920
13,100	0	0	1,830	4,580	7,610	10,960	13,910
13,200	0	0	1,750	4,520	7,560	10,940	13,910
13,300	0	0	1,670	4,450	7,520	10,910	13,900
13,400	0	0	1,600	4,390	7,480	10,890	13,900
13,500	0	0	1,520	4,330	7,430	10,870	13,890
13,600	0	0	1,440	4,270	7,390	10,850	13,890
13,700	0	0	1,360	4,210	7,350	10,820	13,880
13,800	0	0	1,280	4,140	7,300	10,800	13,880
13,900	0	0	1,200	4,080	7,260	10,780	13,870
14,000	0	0	1,130	4,020	7,210	10,750	13,870
14,100	0	0	1,050	3,960	7,170	10,730	13,860
14,200	0	0	970	3,900	7,130	10,710	13,860
14,300	0	0	890	3,830	7,080	10,680	13,850
14,400	0	0	810	3,770	7,040	10,660	13,850
14,500	0	0	730	3,710	7,000	10,640	13,840
14,600	0	0	660	3,650	6,950	10,610	13,840
14,700	0	0	580	3,590	6,910	10,590	13,830
14,800	0	0	500	3,530	6,870	10,570	13,830
14,900	0	0	420	3,460	6,820	10,540	13,820
15,000	0	0	340	3,400	6,780	10,520	13,820
15,100	0	0	260	3,340	6,730	10,500	13,810
15,200	0	0	190	3,280	6,690	10,480	13,810

BEST COPY AVAILABLE

AVAILABLE INCOME	AGE 35	40	45	50	55	60	64
15,300	0	0	110	3,220	6,650	10,450	13,800
15,400	0	0	30	3,150	6,600	10,430	13,800
15,500	0	0	0	3,090	6,560	10,410	13,800
15,600	0	0	0	3,030	6,520	10,380	13,790
15,700	0	0	0	2,970	6,470	10,360	13,790
15,800	0	0	0	2,910	6,430	10,340	13,780
15,900	0	0	0	2,840	6,380	10,310	13,780
16,000	0	0	0	2,780	6,340	10,290	13,770
16,100	0	0	0	2,720	6,300	10,270	13,770
16,200	0	0	0	2,660	6,250	10,240	13,760
16,300	0	0	0	2,600	6,210	10,220	13,760
16,400	0	0	0	2,530	6,170	10,200	13,750
16,500	0	0	0	2,470	6,120	10,170	13,750
16,600	0	0	0	2,410	6,080	10,150	13,740
16,700	0	0	0	2,350	6,040	10,130	13,740
16,800	0	0	0	2,290	5,990	10,110	13,730
16,900	0	0	0	2,220	5,950	10,080	13,730
17,000	0	0	0	2,160	5,900	10,060	13,720
17,100	0	0	0	2,100	5,860	10,040	13,720
17,200	0	0	0	2,040	5,820	10,010	13,710
17,300	0	0	0	1,980	5,770	9,990	13,710
17,400	0	0	0	1,920	5,730	9,970	13,700
17,500	0	0	0	1,850	5,690	9,940	13,700
17,600	0	0	0	1,790	5,640	9,920	13,690
17,700	0	0	0	1,730	5,600	9,900	13,690
17,800	0	0	0	1,670	5,560	9,870	13,680
17,900	0	0	0	1,610	5,510	9,850	13,680
18,000	0	0	0	1,540	5,470	9,830	13,670
18,100	0	0	0	1,480	5,420	9,800	13,670
18,200	0	0	0	1,420	5,380	9,780	13,660
18,300	0	0	0	1,360	5,340	9,760	13,660
18,400	0	0	0	1,300	5,290	9,740	13,650
18,500	0	0	0	1,230	5,250	9,710	13,650
18,600	0	0	0	1,170	5,210	9,690	13,640
18,700	0	0	0	1,110	5,160	9,670	13,640
18,800	0	0	0	1,050	5,120	9,640	13,630
18,900	0	0	0	990	5,080	9,620	13,630
19,000	0	0	0	920	5,030	9,600	13,630
19,100	0	0	0	860	4,990	9,570	13,620
19,200	0	0	0	800	4,940	9,550	13,620
19,300	0	0	0	740	4,900	9,530	13,610
19,400	0	0	0	680	4,860	9,500	13,610
19,500	0	0	0	610	4,810	9,480	13,600
19,600	0	0	0	550	4,770	9,460	13,600
19,700	0	0	0	490	4,730	9,430	13,590
19,800	0	0	0	430	4,680	9,410	13,590
19,900	0	0	0	370	4,640	9,390	13,580
20,000	0	0	0	310	4,600	9,370	13,580
20,100	0	0	0	240	4,550	9,340	13,570
20,200	0	0	0	180	4,510	9,320	13,570
20,300	0	0	0	120	4,460	9,300	13,560

[Continued]

BEST COPY AVAILABLE

Table 3B *(Continued)*

AVAILABLE INCOME	AGE 35	40	45	50	55	60	64
20,400	0	0	0	60	4,420	9,270	13,560
20,500	0	0	0	0	4,380	9,250	13,550
20,600	0	0	0	0	4,330	9,230	13,550
20,700	0	0	0	0	4,290	9,200	13,540
20,800	0	0	0	0	4,250	9,180	13,540
20,900	0	0	0	0	4,200	9,160	13,530
21,000	0	0	0	0	4,160	9,130	13,530
21,100	0	0	0	0	4,120	9,110	13,520
21,200	0	0	0	0	4,070	9,090	13,520
21,300	0	0	0	0	4,030	9,060	13,510
21,400	0	0	0	0	3,980	9,040	13,510
21,500	0	0	0	0	3,940	9,020	13,500
21,600	0	0	0	0	3,900	9,000	13,500
21,700	0	0	0	0	3,850	8,970	13,490
21,800	0	0	0	0	3,810	8,950	13,490
21,900	0	0	0	0	3,770	8,930	13,480
22,000	0	0	0	0	3,720	8,900	13,480
22,100	0	0	0	0	3,680	8,880	13,470
22,200	0	0	0	0	3,640	8,860	13,470
22,300	0	0	0	0	3,590	8,830	13,470
22,400	0	0	0	0	3,550	8,810	13,460
22,500	0	0	0	0	3,500	8,790	13,460
22,600	0	0	0	0	3,460	8,760	13,450
22,700	0	0	0	0	3,420	8,740	13,450
22,800	0	0	0	0	3,370	8,720	13,440
22,900	0	0	0	0	3,330	8,690	13,440
23,000	0	0	0	0	3,290	8,670	13,430
23,100	0	0	0	0	3,240	8,650	13,430
23,200	0	0	0	0	3,200	8,620	13,420
23,300	0	0	0	0	3,160	8,600	13,420
23,400	0	0	0	0	3,110	8,580	13,410
23,500	0	0	0	0	3,070	8,560	13,410
23,600	0	0	0	0	3,020	8,530	13,400
23,700	0	0	0	0	2,980	8,510	13,400
23,800	0	0	0	0	2,940	8,490	13,390
23,900	0	0	0	0	2,890	8,460	13,390
24,000	0	0	0	0	2,850	8,440	13,380
24,100	0	0	0	0	2,810	8,420	13,380
24,200	0	0	0	0	2,760	8,390	13,370
24,300	0	0	0	0	2,720	8,370	13,370
24,400	0	0	0	0	2,670	8,350	13,360
24,500	0	0	0	0	2,630	8,320	13,360
24,600	0	0	0	0	2,590	8,300	13,350
24,700	0	0	0	0	2,540	8,280	13,350
24,800	0	0	0	0	2,500	8,250	13,340
24,900	0	0	0	0	2,460	8,230	13,340
25,000	0	0	0	0	2,410	8,210	13,330

BEST COPY AVAILABLE

Table 4A

ESTIMATED FEDERAL INCOME TAX PAYMENTS *
UNMARRIED INDIVIDUALS

ADJUSTED GROSS INCOME	TAX	ADJUSTED GROSS INCOME	TAX	ADJUSTED GROSS INCOME	TAX
50	0	2,250	28	4,450	386
100	0	2,300	35	4,500	396
150	0	2,350	42	4,550	405
200	0	2,400	49	4,600	414
250	0	2,450	56	4,650	424
300	0	2,500	63	4,700	433
350	0	2,550	70	4,750	443
400	0	2,600	77	4,800	452
450	0	2,650	85	4,850	462
500	0	2,700	92	4,900	471
550	0	2,750	100	4,950	481
600	0	2,800	107	5,000	490
650	0	2,850	115	5,050	500
700	0	2,900	122	5,100	509
750	0	2,950	130	5,150	519
800	0	3,000	137	5,200	528
850	0	3,050	145	5,250	538
900	0	3,100	153	5,300	547
950	0	3,150	161	5,350	557
1,000	0	3,200	169	5,400	566
1,050	0	3,250	177	5,450	576
1,100	0	3,300	185	5,500	585
1,150	0	3,350	193	5,550	595
1,200	0	3,400	201	5,600	604
1,250	0	3,450	209	5,650	614
1,300	0	3,500	217	5,700	623
1,350	0	3,550	225	5,750	633
1,400	0	3,600	233	5,800	642
1,450	0	3,650	242	5,850	652
1,500	0	3,700	250	5,900	661
1,550	0	3,750	259	5,950	671
1,600	0	3,800	267	6,000	680
1,650	0	3,850	276	6,050	690
1,700	0	3,900	284	6,100	700
1,750	0	3,950	293	6,150	711
1,800	0	4,000	301	6,200	721
1,850	0	4,050	310	6,250	732
1,900	0	4,100	319	6,300	742
1,950	0	4,150	329	6,350	753
2,000	0	4,200	338	6,400	763
2,050	0	4,250	348	6,450	774
2,100	7	4,300	357	6,500	784
2,150	14	4,350	367		
2,200	21	4,400	376		

[Continued]

*The rates for 1972, 1973, and 1974 are the same.

BEST COPY AVAILABLE

Table 4A [*Continued*]

ESTIMATED FEDERAL INCOME TAX PAYMENTS
UNMARRIED INDIVIDUALS

ADJUSTED GROSS INCOME	TAX	ADJUSTED GROSS INCOME	TAX	ADJUSTED GROSS INCOME	TAX
6,550	795	8,850	1,295	11,150	1,771
6,600	805	8,900	1,305	11,200	1,782
6,650	816	8,950	1,315	11,250	1,793
6,700	826	9,000	1,326	11,300	1,803
6,750	837	9,050	1,336	11,350	1,814
6,800	847	9,100	1,346	11,400	1,825
6,850	858	9,150	1,356	11,450	1,835
6,900	868	9,200	1,366	11,500	1,846
6,950	879	9,250	1,377	11,550	1,856
7,000	889	9,300	1,387	11,600	1,867
7,050	900	9,350	1,397	11,650	1,878
7,100	910	9,400	1,407	11,700	1,888
7,150	921	9,450	1,417	11,750	1,899
7,200	931	9,500	1,428	11,800	1,910
7,250	942	9,550	1,438	11,850	1,920
7,300	952	9,600	1,448	11,900	1,931
7,350	963	9,650	1,458	11,950	1,941
7,400	973	9,700	1,468	12,000	1,952
7,450	984	9,750	1,479	12,050	1,963
7,500	994	9,800	1,489	12,100	1,973
7,550	1,005	9,850	1,499	12,150	1,984
7,600	1,015	9,900	1,509	12,200	1,995
7,650	1,026	9,950	1,519	12,250	2,005
7,700	1,036	10,000	1,530	12,300	2,016
7,750	1,047	10,050	1,540	12,350	2,026
7,800	1,057	10,100	1,550	12,400	2,037
7,850	1,068	10,150	1,560	12,450	2,048
7,900	1,078	10,200	1,570	12,500	2,058
7,950	1,089	10,250	1,581	12,550	2,069
8,000	1,099	10,300	1,591	12,600	2,080
8,050	1,110	10,350	1,601	12,650	2,090
8,100	1,122	10,400	1,612	12,700	2,102
8,150	1,134	10,450	1,623	12,750	2,113
8,200	1,146	10,500	1,633	12,800	2,125
8,250	1,158	10,550	1,644	12,850	2,136
8,300	1,170	10,600	1,655	12,900	2,148
8,350	1,182	10,650	1,665	12,950	2,159
8,400	1,194	10,700	1,676	13,000	2,171
8,450	1,206	10,750	1,686	13,050	2,182
8,500	1,218	10,800	1,697	13,100	2,193
8,550	1,230	10,850	1,708	13,150	2,205
8,600	1,242	10,900	1,718	13,200	2,216
8,650	1,254	10,950	1,729	13,250	2,228
8,700	1,264	11,000	1,740	13,300	2,239
8,750	1,275	11,050	1,750		
8,800	1,285	11,100	1,761		

BEST COPY AVAILABLE

ESTIMATED FEDERAL INCOME TAX PAYMENTS
UNMARRIED INDIVIDUALS

ADJUSTED GROSS INCOME	TAX	ADJUSTED GROSS INCOME	TAX	ADJUSTED GROSS INCOME	TAX
13,350	2,252	15,700	2,906	18,050	3,613
13,400	2,265	15,750	2,920	18,100	3,628
13,450	2,279	15,800	2,934	18,150	3,644
13,500	2,292	15,850	2,949	18,200	3,659
13,550	2,306	15,900	2,963	18,250	3,675
13,600	2,319	15,950	2,978	18,300	3,690
13,650	2,333	16,000	2,992	18,350	3,706
13,700	2,346	16,050	3,007	18,400	3,721
13,750	2,360	16,100	3,021	18,450	3,737
13,800	2,373	16,150	3,036	18,500	3,752
13,850	2,387	16,200	3,050	18,550	3,768
13,900	2,400	16,250	3,065	18,600	3,783
13,950	2,414	16,300	3,079	18,650	3,799
14,000	2,427	16,350	3,094	18,700	3,814
14,050	2,441	16,400	3,108	18,750	3,830
14,100	2,454	16,450	3,123	18,800	3,847
14,150	2,468	16,500	3,137	18,850	3,864
14,200	2,481	16,550	3,152	18,900	3,881
14,250	2,495	16,600	3,166	18,950	3,898
14,300	2,508	16,650	3,181	19,000	3,915
14,350	2,522	16,700	3,195	19,050	3,932
14,400	2,535	16,750	3,210	19,100	3,949
14,450	2,549	16,800	3,225	19,150	3,966
14,500	2,562	16,850	3,241	19,200	3,983
14,550	2,576	16,900	3,256	19,250	4,000
14,600	2,589	16,950	3,272	19,300	4,017
14,650	2,603	17,000	3,287	19,350	4,034
14,700	2,616	17,050	3,303	19,400	4,051
14,750	2,630	17,100	3,318	19,450	4,068
14,800	2,644	17,150	3,334	19,500	4,085
14,850	2,659	17,200	3,349	19,550	4,102
14,900	2,673	17,250	3,365	19,600	4,119
14,950	2,688	17,300	3,380	19,650	4,136
15,000	2,702	17,350	3,396	19,700	4,153
15,050	2,717	17,400	3,411	19,750	4,170
15,100	2,731	17,450	3,427	19,800	4,187
15,150	2,746	17,500	3,442	19,850	4,204
15,200	2,760	17,550	3,458	19,900	4,221
15,250	2,775	17,600	3,473	19,950	4,238
15,300	2,789	17,650	3,489	20,000	4,256
15,350	2,804	17,700	3,504		
15,400	2,818	17,750	3,520		
15,450	2,833	17,800	3,535		
15,500	2,847	17,850	3,551		
15,550	2,862	17,900	3,566		
15,600	2,876	17,950	3,582		
15,650	2,891	18,000	3,597		

31-508 O - 74 - 19

BEST COPY AVAILABLE

Table 4B

ESTIMATED FEDERAL INCOME TAX PAYMENTS *
MARRIED PERSONS FILING JOINTLY

Adjusted Gross Income	2 Parents 0 Children	2 Parents 1 Child	2 Parents 2 Children	2 Parents 3 Children	2 Parents 4 Children	2 Parents 5 Children	2 Parents 6 Children	2 Parents 7 Children	2 Parents 8 Children
2,800 or less	0	0	0	0	0	0	0	0	0
2,900	14	0	0	0	0	0	0	0	0
3,000	28	0	0	0	0	0	0	0	0
3,100	42	0	0	0	0	0	0	0	0
3,200	56	0	0	0	0	0	0	0	0
3,300	70	0	0	0	0	0	0	0	0
3,400	84	0	0	0	0	0	0	0	0
3,500	98	0	0	0	0	0	0	0	0
3,600	112	7	0	0	0	0	0	0	0
3,700	126	21	0	0	0	0	0	0	0
3,800	140	35	0	0	0	0	0	0	0
3,900	155	49	0	0	0	0	0	0	0
4,000	170	63	0	0	0	0	0	0	0
4,100	185	77	0	0	0	0	0	0	0
4,200	200	91	0	0	0	0	0	0	0
4,300	215	105	0	0	0	0	0	0	0
4,400	230	119	14	0	0	0	0	0	0
4,500	245	133	28	0	0	0	0	0	0
4,600	260	147	42	0	0	0	0	0	0
4,700	275	162	56	0	0	0	0	0	0
4,800	290	177	70	0	0	0	0	0	0
4,900	306	192	84	0	0	0	0	0	0
5,000	322	207	98	0	0	0	0	0	0
5,100	338	222	112	7	0	0	0	0	0
5,200	354	237	126	21	0	0	0	0	0
5,300	370	252	140	35	0	0	0	0	0
5,400	386	267	155	49	0	0	0	0	0
5,500	402	282	170	63	0	0	0	0	0
5,600	418	298	185	77	0	0	0	0	0
5,700	434	314	200	91	0	0	0	0	0
5,800	450	330	215	105	0	0	0	0	0
5,900	467	346	230	119	14	0	0	0	0
6,000	484	362	245	133	28	0	0	0	0
6,100	501	378	260	147	42	0	0	0	0
6,200	518	394	275	162	56	0	0	0	0
6,300	535	410	290	177	70	0	0	0	0
6,400	552	426	306	192	84	0	0	0	0
6,500	569	442	322	207	98	0	0	0	0
6,600	586	458	338	222	112	7	0	0	0
6,700	603	475	354	237	126	21	0	0	0
6,800	620	492	370	252	140	35	0	0	0
6,900	639	509	386	267	155	49	0	0	0

*The rates for 1972, 1973, and 1974 are the same.

BEST COPY AVAILABLE

ESTIMATED FEDERAL INCOME TAX PAYMENTS
MARRIED PERSONS FILING JOINTLY

Adjusted Gross Income	2 Parents 0 Children	2 Parents 1 Child	2 Parents 2 Children	2 Parents 3 Children	2 Parents 4 Children	2 Parents 5 Children	2 Parents 6 Children	2 Parents 7 Children	2 Parents 8 Children
7,000	658	526	402	282	170	63	0	0	0
7,100	677	543	418	298	185	77	0	0	0
7,200	696	560	434	314	200	91	0	0	0
7,300	715	577	450	330	215	105	0	0	0
7,400	734	594	467	346	230	119	14	0	0
7,500	753	611	484	362	245	133	28	0	0
7,600	772	629	501	378	260	147	42	0	0
7,700	791	648	518	394	275	162	56	0	0
7,800	810	667	535	410	290	177	70	0	0
7,900	829	686	552	426	306	192	84	0	0
8,000	848	705	569	442	322	207	98	0	0
8,100	867	724	586	458	338	222	112	7	0
8,200	886	743	603	475	354	237	126	21	0
8,300	905	762	620	492	370	252	140	35	0
8,400	924	781	639	509	386	267	155	49	0
8,500	943	800	658	526	402	282	170	63	0
8,600	962	819	677	543	418	298	185	77	0
8,700	980	837	695	559	433	313	199	90	0
8,800	996	853	711	574	446	326	212	102	0
8,900	1,012	869	727	588	461	340	224	114	9
9,000	1,028	886	743	603	475	354	237	126	21
9,100	1,044	902	759	617	489	367	250	137	32
9,200	1,060	918	775	633	504	381	263	150	44
9,300	1,076	934	791	649	518	394	275	163	56
9,400	1,093	950	808	665	533	408	288	176	68
9,500	1,109	966	824	681	547	422	302	188	80
9,600	1,125	982	840	697	562	435	315	201	92
9,700	1,141	999	856	714	576	449	329	214	104
9,800	1,157	1,015	872	730	591	463	342	227	116
9,900	1,173	1,031	888	746	605	478	356	239	128
10,000	1,190	1,047	905	762	620	492	370	252	140
10,100	1,206	1,063	921	778	636	506	383	265	152
10,200	1,222	1,079	937	794	652	521	397	278	165
10,300	1,238	1,095	953	810	668	535	410	290	178
10,400	1,254	1,112	969	827	684	550	424	304	191
10,500	1,270	1,128	985	843	700	564	438	318	203
10,600	1,286	1,144	1,001	859	716	579	451	331	216
10,700	1,303	1,160	1,018	875	733	593	466	345	229
10,800	1,319	1,176	1,034	891	749	608	480	358	242
10,900	1,335	1,192	1,050	907	765	622	495	372	254
11,000	1,351	1,209	1,066	924	781	639	509	386	267
11,100	1,367	1,225	1,082	940	797	655	523	399	280
11,200	1,384	1,241	1,098	956	813	671	538	413	293
11,300	1,403	1,257	1,114	972	829	687	552	426	306
11,400	1,421	1,273	1,131	988	846	703	567	440	320

[Continued]

BEST COPY AVAILABLE

Table 4B [*Continued*]

ESTIMATED FEDERAL INCOME TAX PAYMENTS
MARRIED PERSONS FILING JOINTLY

Adjusted Gross Income	2 Parents 0 Children	2 Parents 1 Child	2 Parents 2 Children	2 Parents 3 Children	2 Parents 4 Children	2 Parents 5 Children	2 Parents 6 Children	2 Parents 7 Children	2 Parents 8 Children
11,500	1,440	1,289	1,147	1,004	862	719	581	454	334
11,600	1,459	1,306	1,163	1,020	878	735	596	468	347
11,700	1,477	1,322	1,179	1,037	894	752	610	483	361
11,800	1,496	1,338	1,195	1,053	910	768	625	497	374
11,900	1,515	1,354	1,211	1,069	926	784	641	512	388
12,000	1,534	1,370	1,228	1,085	943	800	658	526	402
12,100	1,552	1,387	1,244	1,101	959	816	674	540	415
12,200	1,571	1,406	1,260	1,117	975	832	690	555	429
12,300	1,590	1,425	1,276	1,133	991	848	706	569	442
12,400	1,608	1,443	1,292	1,150	1,007	865	722	584	456
12,500	1,627	1,462	1,308	1,166	1,023	881	738	598	471
12,600	1,646	1,481	1,324	1,182	1,039	897	754	613	485
12,700	1,664	1,499	1,341	1,198	1,056	913	771	628	500
12,800	1,683	1,518	1,357	1,214	1,072	929	787	644	514
12,900	1,702	1,537	1,373	1,230	1,088	945	803	660	529
13,000	1,721	1,556	1,391	1,247	1,104	962	819	677	543
13,100	1,739	1,574	1,409	1,263	1,120	978	835	693	557
13,200	1,758	1,593	1,428	1,279	1,136	994	851	709	572
13,300	1,777	1,612	1,447	1,295	1,152	1,010	867	725	586
13,400	1,798	1,633	1,468	1,313	1,171	1,028	886	743	603
13,500	1,820	1,655	1,490	1,332	1,190	1,047	905	762	620
13,600	1,842	1,677	1,512	1,351	1,209	1,066	924	781	639
13,700	1,864	1,699	1,534	1,370	1,228	1,085	943	800	658
13,800	1,886	1,721	1,556	1,391	1,247	1,104	962	819	677
13,900	1,908	1,743	1,578	1,413	1,266	1,123	981	838	696
14,000	1,930	1,765	1,600	1,435	1,285	1,142	1,000	857	715
14,100	1,952	1,787	1,622	1,457	1,304	1,161	1,019	876	734
14,200	1,974	1,809	1,644	1,479	1,323	1,180	1,038	895	753
14,300	1,996	1,831	1,666	1,501	1,342	1,199	1,057	914	772
14,400	2,018	1,853	1,688	1,523	1,361	1,218	1,076	933	791
14,500	2,040	1,875	1,710	1,545	1,380	1,237	1,095	952	810
14,600	2,062	1,897	1,732	1,567	1,402	1,256	1,114	971	829
14,700	2,084	1,919	1,754	1,589	1,424	1,275	1,133	990	848
14,800	2,106	1,941	1,776	1,611	1,446	1,294	1,152	1,009	867
14,900	2,128	1,963	1,798	1,633	1,468	1,313	1,171	1,028	886
15,000	2,150	1,985	1,820	1,655	1,490	1,332	1,190	1,047	905
15,100	2,172	2,007	1,842	1,677	1,512	1,351	1,209	1,066	924
15,200	2,194	2,029	1,864	1,699	1,534	1,370	1,228	1,085	943
15,300	2,216	2,051	1,886	1,721	1,556	1,391	1,247	1,104	962
15,400	2,238	2,073	1,908	1,743	1,578	1,413	1,266	1,123	981
15,500	2,260	2,095	1,930	1,765	1,600	1,435	1,285	1,142	1,000
15,600	2,285	2,117	1,952	1,787	1,622	1,457	1,304	1,161	1,019
15,700	2,310	2,139	1,974	1,809	1,644	1,479	1,323	1,180	1,038
15,800	2,335	2,161	1,996	1,831	1,666	1,501	1,342	1,199	1,057
15,900	2,360	2,183	2,018	1,853	1,688	1,523	1,361	1,218	1,076

BEST COPY AVAILABLE

ESTIMATED FEDERAL INCOME TAX PAYMENTS
MARRIED PERSONS FILING JOINTLY

Adjusted Gross Income	2 Parents 0 Children	2 Parents 1 Child	2 Parents 2 Children	2 Parents 3 Children	2 Parents 4 Children	2 Parents 5 Children	2 Parents 6 Children	2 Parents 7 Children	2 Parents 8 Children
16,000	2,385	2,205	2,040	1,875	1,710	1,545	1,380	1,237	1,095
16,100	2,410	2,227	2,062	1,897	1,732	1,567	1,402	1,256	1,114
16,200	2,435	2,249	2,084	1,919	1,754	1,589	1,424	1,275	1,133
16,300	2,460	2,272	2,106	1,941	1,776	1,611	1,446	1,294	1,152
16,400	2,485	2,297	2,128	1,963	1,798	1,633	1,468	1,313	1,171
16,500	2,510	2,322	2,150	1,985	1,820	1,655	1,490	1,332	1,190
16,600	2,535	2,347	2,172	2,007	1,842	1,677	1,512	1,351	1,209
16,700	2,560	2,372	2,194	2,029	1,864	1,699	1,534	1,370	1,228
16,800	2,585	2,397	2,216	2,051	1,886	[illegible]	1,556	1,391	1,247
16,900	2,610	2,422	2,238	2,073	1,908	1,743	1,578	1,413	1,266
17,000	2,635	2,447	2,260	2,095	1,930	1,765	1,600	1,435	1,285
17,100	2,660	2,472	2,285	2,117	1,952	1,787	1,622	1,457	1,304
17,200	2,685	2,497	2,310	2,139	1,974	1,809	1,644	1,479	1,323
17,300	2,710	2,522	2,335	2,161	1,996	1,831	1,666	1,501	1,342
17,400	2,735	2,547	2,360	2,183	2,018	1,853	1,688	1,523	1,361
17,500	2,760	2,572	2,385	2,205	2,040	1,875	1,710	1,545	1,380
17,600	2,785	2,597	2,410	2,227	2,062	1,897	1,732	1,567	1,402
17,700	2,810	2,622	2,435	2,249	2,084	1,919	1,754	1,589	1,424
17,800	2,835	2,647	2,460	2,272	2,106	1,941	1,776	1,611	1,446
17,900	2,860	2,672	2,485	2,297	2,128	1,963	1,798	1,633	1,468
18,000	2,885	2,697	2,510	2,322	2,150	1,985	1,820	1,655	1,490
18,100	2,910	2,722	2,535	2,347	2,172	2,007	1,842	1,677	1,512
18,200	2,935	2,747	2,560	2,372	2,194	2,029	1,864	1,699	1,534
18,300	2,960	2,772	2,585	2,397	2,216	2,051	1,886	1,721	1,556
18,400	2,985	2,797	2,610	2,422	2,238	2,073	1,908	1,743	1,578
18,500	3,010	2,822	2,635	2,447	2,260	2,095	1,930	1,765	1,600
18,600	3,035	2,847	2,660	2,472	2,285	2,117	1,952	1,787	1,622
18,700	3,060	2,872	2,685	2,497	2,310	2,139	1,974	1,809	1,344
18,800	3,085	2,897	2,710	2,522	2,335	2,161	1,996	1,831	1,666
18,900	3,110	2,922	2,735	2,547	2,360	2,183	2,018	1,853	1,688
19,000	3,135	2,947	2,760	2,572	2,385	2,205	2,040	1,875	1,710
19,100	3,160	2,972	2,785	2,597	2,410	2,227	2,062	1,897	1,732
19,200	3,185	2,997	2,810	2,622	2,435	2,249	2,084	1,919	1,754
19,300	3,210	3,022	2,835	2,647	2,460	2,272	2,106	1,941	1,776
19,400	3,235	3,047	2,860	2,672	2,485	2,297	2,128	1,963	1,798
19,500	3,260	3,072	2,885	2,697	2,510	2,322	2,150	1,985	1,820
19,600	3,288	3,097	2,910	2,722	2,535	2,347	2,172	2,007	1,842
19,700	3,316	3,122	2,935	2,747	2,560	2,372	2,194	2,029	1,864
19,800	3,344	3,147	2,960	2,772	2,585	2,397	2,216	2,051	1,886
19,900	3,372	3,172	2,985	2,797	2,610	2,422	2,238	2,073	1,908
20,000	3,400	3,197	3,010	2,822	2,635	2,447	2,260	2,095	1,930

BEST COPY AVAILABLE

Table 4C

ESTIMATED FEDERAL INCOME TAX PAYMENTS *
HEADS OF HOUSEHOLD

Adjusted Gross Income	1 Parent 1 Child	1 Parent 2 Children	1 Parent 3 Children	1 Parent 4 Children	1 Parent 5 Children	1 Parent 6 Children	1 Parent 7 Children	1 Parent 8 Children
2,800 or less	0	0	0	0	0	0	0	0
2,900	14	0	0	0	0	0	0	0
3,000	28	0	0	0	0	0	0	0
3,100	42	0	0	0	0	0	0	0
3,200	56	0	0	0	0	0	0	0
3,300	70	0	0	0	0	0	0	0
3,400	84	0	0	0	0	0	0	0
3,500	98	0	0	0	0	0	0	0
3,600	112	7	0	0	0	0	0	0
3,700	126	21	0	0	0	0	0	0
3,800	140	35	0	0	0	0	0	0
3,900	156	49	0	0	0	0	0	0
4,000	172	63	0	0	0	0	0	0
4,100	188	77	0	0	0	0	0	0
4,200	204	91	0	0	0	0	0	0
4,300	220	105	0	0	0	0	0	0
4,400	236	119	14	0	0	0	0	0
4,500	252	133	28	0	0	0	0	0
4,600	268	148	42	0	0	0	0	0
4,700	284	164	56	0	0	0	0	0
4,800	300	180	70	0	0	0	0	0
4,900	318	196	84	0	0	0	0	0
5,000	336	212	98	0	0	0	0	0
5,100	354	228	112	7	0	0	0	0
5,200	372	244	126	21	0	0	0	0
5,300	390	260	140	35	0	0	0	0
5,400	408	276	156	49	0	0	0	0
5,500	426	292	172	63	0	0	0	0
5,600	444	309	188	77	0	0	0	0
5,700	462	327	204	91	0	0	0	0
5,800	480	345	220	105	0	0	0	0
5,900	498	363	236	119	14	0	0	0
6,000	516	381	252	133	28	0	0	0
6,100	534	399	268	148	42	0	0	0
6,200	552	417	284	164	56	0	0	0
6,300	570	435	300	180	70	0	0	0
6,400	588	453	318	196	84	0	0	0
6,500	606	471	336	212	98	0	0	0
6,600	624	489	354	228	112	7	0	0
6,700	642	507	372	244	126	21	0	0
6,800	660	525	390	260	140	35	0	0

*The rates for 1972, 1973, and 1974 are the same.

ESTIMATED FEDERAL INCOME TAX PAYMENTS
HEADS OF HOUSEHOLD

Adjusted Gross Income	1 Parent 1 Child	1 Parent 2 Children	1 Parent 3 Children	1 Parent 4 Children	1 Parent 5 Children	1 Parent 6 Children	1 Parent 7 Children	1 Parent 8 Children
6,900	879	543	408	276	156	49	0	0
7,000	698	561	426	292	172	63	0	0
7,100	717	579	444	309	188	77	0	0
7,200	736	597	462	327	204	91	0	0
7,300	755	615	480	345	220	105	0	0
7,400	774	633	498	363	236	119	14	0
7,500	793	651	516	381	252	133	28	0
7,600	812	669	534	399	268	148	42	0
7,700	831	688	552	417	284	164	56	0
7,800	850	707	570	435	300	180	70	0
7,900	869	726	588	453	318	196	84	0
8,000	888	745	606	471	336	212	98	0
8,100	907	764	624	489	354	228	112	7
8,200	926	783	642	507	372	244	126	21
8,300	945	802	660	525	390	260	140	35
8,400	964	821	679	543	408	276	156	49
8,500	983	840	698	561	426	292	172	63
8,600	1,002	859	717	579	444	309	188	77
8,700	1,020	877	735	596	461	326	203	90
8,800	1,036	893	751	611	476	341	216	102
8,900	1,054	909	767	628	491	356	230	114
9,000	1,073	926	783	642	507	372	244	126
9,100	1,091	942	799	657	522	387	257	137
9,200	1,110	958	815	673	537	402	271	151
9,300	1,129	974	831	689	552	417	284	164
9,400	1,147	990	848	705	568	433	298	178
9,500	1,166	1,006	864	721	583	448	313	192
9,600	1,185	1,022	880	737	598	463	328	205
9,700	1,203	1,039	896	754	614	479	344	219
9,800	1,222	1,057	912	770	629	494	359	232
9,900	1,241	1,076	928	786	644	509	374	246
10,000	1,260	1,095	945	802	660	525	390	260
10,100	1,278	1,113	961	818	676	540	405	273
10,200	1,297	1,132	977	834	692	555	420	287
10,300	1,316	1,151	993	850	708	570	435	300
10,400	1,334	1,169	1,009	867	724	586	451	316
10,500	1,353	1,188	1,025	883	740	601	466	331
10,600	1,372	1,207	1,042	899	756	616	481	346
10,700	1,390	1,225	1,060	915	773	632	497	362
10,800	1,409	1,244	1,079	931	789	647	512	377
10,900	1,428	1,263	1,098	947	805	662	527	392
11,000	1,447	1,282	1,117	964	821	679	543	408
11,100	1,465	1,300	1,135	980	837	695	558	423
11,200	1,484	1,319	1,154	996	853	711	573	438
11,300	1,504	1,338	1,173	1,012	869	727	588	453

[Continued]

BEST COPY AVAILABLE

Table 4C [*Continued*]

ESTIMATED FEDERAL INCOME TAX PAYMENTS
HEADS OF HOUSEHOLD

Adjusted Gross Income	1 Parent 1 Child	1 Parent 2 Children	1 Parent 3 Children	1 Parent 4 Children	1 Parent 5 Children	1 Parent 6 Children	1 Parent 7 Children	1 Parent 8 Children
11,400	1,523	1,356	1,191	1,028	886	743	604	469
11,500	1,543	1,375	1,210	1,045	902	759	619	484
11,600	1,562	1,394	1,229	1,064	918	775	634	499
11,700	1,582	1,412	1,247	1,082	934	792	650	515
11,800	1,601	1,431	1,266	1,101	950	808	665	530
11,900	1,621	1,450	1,285	1,120	966	824	681	545
12,000	1,641	1,469	1,304	1,139	983	840	698	561
12,100	1,660	1,488	1,322	1,157	999	856	714	576
12,200	1,680	1,507	1,341	1,176	1,015	872	730	591
12,300	1,699	1,527	1,360	1,195	1,031	888	746	606
12,400	1,719	1,546	1,378	1,213	1,048	905	762	622
12,500	1,738	1,566	1,397	1,232	1,067	921	778	637
12,600	1,758	1,585	1,416	1,251	1,086	937	794	652
12,700	1,777	1,605	1,434	1,269	1,104	953	811	668
12,800	1,797	1,624	1,453	1,288	1,123	969	827	684
12,900	1,816	1,644	1,472	1,307	1,142	985	843	700
13,000	1,836	1,664	1,491	1,326	1,161	1,002	859	717
13,100	1,856	1,683	1,511	1,344	1,179	1,018	875	733
13,200	1,875	1,703	1,530	1,363	1,198	1,034	891	749
13,300	1,895	1,722	1,550	1,382	1,217	1,052	907	765
13,400	1,917	1,744	1,572	1,403	1,238	1,073	926	783
13,500	1,940	1,767	1,595	1,425	1,260	1,095	945	802
13,600	1,965	1,790	1,618	1,447	1,282	1,117	964	821
13,700	1,990	1,813	1,641	1,469	1,304	1,139	983	840
13,800	2,015	1,836	1,664	1,491	1,326	1,161	1,002	859
13,900	2,040	1,859	1,687	1,514	1,348	1,183	1,021	878
14,000	2,065	1,882	1,710	1,53[illegible]	1,370	1,205	1,040	897
14,100	2,090	1,905	1,733	1,560	1,392	1,227	1,062	916
14,200	2,115	1,928	1,756	1,583	1,414	1,249	1,084	935
14,300	2,140	1,952	1,779	1,606	1,436	1,271	1,106	954
14,400	2,165	1,977	1,802	1,629	1,458	1,293	1,128	973
14,500	2,190	2,002	1,825	1,652	1,480	1,315	1,150	992
14,600	2,215	2,027	1,848	1,675	1,503	1,337	1,172	1,011
14,700	2,240	2,052	1,871	1,698	1,526	1,359	1,194	1,030
14,800	2,265	2,077	1,894	1,721	1,549	1,381	1,216	1,051
14,900	2,290	2,102	1,917	1,744	1,572	1,403	1,238	1,073
15,000	2,315	2,127	1,940	1,767	1,595	1,425	1,260	1,095
15,100	2,340	2,152	1,965	1,790	1,618	1,447	1,282	1,117
15,200	2,365	2,177	1,990	1,813	1,641	1,469	1,304	1,139
15,300	2,390	2,202	2,015	1,836	1,664	1,491	1,326	1,161
15,400	2,415	2,227	2,040	1,859	1,687	1,514	1,348	1,183
15,500	2,440	2,252	2,065	1,882	1,710	1,537	1,370	1,205
15,600	2,467	2,277	2,090	1,905	1,733	1,560	1,392	1,227
15,700	2,494	2,302	2,115	1,928	1,756	1,583	1,414	1,249
15,800	2,52[illegible]	2,327	2,140	1,952	1,779	1,606	1,436	1,271

BEST COPY AVAILABLE

ESTIMATED FEDERAL INCOME TAX PAYMENTS
HEADS OF HOUSEHOLD

Adjusted Gross Income	1 Parent 1 Child	1 Parent 2 Children	1 Parent 3 Children	1 Parent 4 Children	1 Parent 5 Children	1 Parent 6 Children	1 Parent 7 Children	1 Parent 8 Children
15,900	2,548	2,352	2,166	1,977	1,802	1,629	1,458	1,293
16,000	2,575	2,377	2,190	2,002	1,825	1,652	1,480	1,315
16,100	2,602	2,402	2,215	2,027	1,848	1,675	1,503	1,337
16,200	2,629	2,427	2,240	2,052	1,871	1,698	1,526	1,359
16,300	2,656	2,453	2,265	2,077	1,894	1,721	1,549	1,381
16,400	2,683	2,480	2,290	2,102	1,917	1,744	1,572	1,403
16,500	2,710	2,507	2,315	2,127	1,940	1,767	1,595	1,425
16,600	2,737	2,534	2,340	2,152	1,965	1,790	1,618	1,447
16,700	2,764	2,561	2,365	2,177	1,990	1,813	1,641	1,469
16,800	2,791	2,588	2,390	2,202	2,015	1,836	1,664	1,491
16,900	2,818	2,615	2,415	2,227	2,040	1,859	1,687	1,514
17,000	2,845	2,642	2,440	2,252	2,065	1,882	1,710	1,537
17,100	2,872	2,669	2,467	2,277	2,090	1,905	1,733	1,560
17,200	2,899	2,696	2,494	2,302	2,115	1,928	1,756	1,583
17,300	2,926	2,723	2,521	2,327	2,140	1,952	1,779	1,606
17,400	2,953	2,750	2,548	2,352	2,165	1,977	1,802	1,629
17,500	2,980	2,777	2,575	2,377	2,190	2,002	1,825	1,652
17,600	3,008	2,804	2,602	2,402	2,215	2,027	1,848	1,675
17,700	3,036	2,831	2,629	2,427	2,240	2,052	1,871	1,698
17,800	3,064	2,858	2,656	2,453	2,265	2,077	1,894	1,721
17,900	3,092	2,885	2,683	2,480	2,290	2,102	1,917	1,744
18,000	3,120	2,912	2,710	2,507	2,315	2,127	1,940	1,767
18,100	3,148	2,939	2,737	2,534	2,340	2,152	1,965	1,790
18,200	3,176	2,966	2,764	2,561	2,365	2,177	1,990	1,813
18,300	3,204	2,994	2,791	2,588	2,390	2,202	2,015	1,836
18,400	3,232	3,022	2,818	2,615	2,415	2,227	2,040	1,859
18,500	3,260	3,050	2,845	2,642	2,440	2,252	2,065	1,882
18,600	3,288	3,078	2,872	2,669	2,467	2,277	2,090	1,905
18,700	3,316	3,106	2,899	2,696	2,494	2,302	2,115	1,928
18,800	3,344	3,134	2,926	2,723	2,521	2,327	2,140	1,952
18,900	3,372	3,162	2,953	2,750	2,548	2,352	2,165	1,977
19,000	3,400	3,190	2,980	2,777	2,575	2,377	2,190	2,002
19,100	3,428	3,218	3,008	2,804	2,602	2,402	2,215	2,027
19,200	3,456	3,246	3,036	2,831	2,629	2,427	2,240	2,052
19,300	3,484	3,274	3,064	2,858	2,656	2,453	2,265	2,077
19,400	3,512	3,302	3,092	2,885	2,683	2,480	2,290	2,102
19,500	3,540	3,330	3,120	2,912	2,710	2,507	2,315	2,127
19,600	3,571	3,358	3,148	2,939	2,737	2,534	2,340	2,152
19,700	3,602	3,386	3,176	2,966	2,764	2,561	2,365	2,177
19,800	3,633	3,414	3,204	2,994	2,791	2,588	2,390	2,202
19,900	3,664	3,442	3,232	3,022	2,818	2,615	2,415	2,227
20,000	3,695	3,470	3,260	3,050	2,845	2,642	2,440	2,252

BEST COPY AVAILABLE

Table 4D

ESTIMATED FEDERAL INCOME TAX PAYMENTS *
MARRIED PERSONS FILING SEPARATE RETURNS

Adjusted Gross Income	2 Parents 0 Children	2 Parents 1 Child	2 Parents 2 Children	2 Parents 3 Children	2 Parents 4 Children	2 Parents 5 Children	2 Parents 6 Children	2 Parents 7 Children	2 Parents 8 Children
2,200 and below	7	0	0	0	0	0	0	0	0
2,300	21	0	0	0	0	0	0	0	0
2,400	35	0	0	0	0	0	0	0	0
2,500	49	0	0	0	0	0	0	0	0
2,600	63	0	0	0	0	0	0	0	0
2,700	77	0	0	0	0	0	0	0	0
2,800	92	0	0	0	0	0	0	0	0
2,900	107	0	0	0	0	0	0	0	0
3,000	122	14	0	0	0	0	0	0	0
3,100	137	28	0	0	0	0	0	0	0
3,200	153	42	0	0	0	0	0	0	0
3,300	169	56	0	0	0	0	0	0	0
3,400	185	70	0	0	0	0	0	0	0
3,500	201	85	0	0	0	0	0	0	0
3,600	217	100	0	0	0	0	0	0	0
3,700	233	115	7	0	0	0	0	0	0
3,800	250	130	21	0	0	0	0	0	0
3,900	267	145	35	0	0	0	0	0	0
4,000	284	[illegible]	49	0	0	0	0	0	0
4,100	301	177	63	0	0	0	0	0	0
4,200	319	193	77	0	0	0	0	0	0
4,300	338	209	92	0	0	0	0	0	0
4,400	355	223	106	0	0	0	0	0	0
4,500	371	237	118	10	0	0	0	0	0
4,600	387	252	131	22	0	0	0	0	0
4,700	404	266	144	34	0	0	0	0	0
4,800	420	281	157	46	0	0	0	0	0
4,900	436	295	171	58	0	0	0	0	0
5,000	452	310	185	70	0	0	0	0	0
5,100	468	326	198	82	0	0	0	0	0
5,200	484	342	212	95	0	0	0	0	0
5,300	500	358	225	108	0	0	0	0	0
5,400	517	374	240	121	12	0	0	0	0
5,500	533	390	254	133	24	0	0	0	0
5,600	549	406	269	146	36	0	0	0	0
5,700	565	423	283	160	48	0	0	0	0
5,800	581	439	298	173	60	0	0	0	0
5,900	597	455	312	187	72	0	0	0	0
6,000	614	471	329	201	85	0	0	0	0
6,100	630	487	345	215	97	0	0	0	0
6,200	646	503	361	229	110	2	0	0	0
6,300	662	519	377	242	123	14	0	0	0
6,400	678	536	393	257	136	26	0	0	0

*The rates for 1972, 1973, and 1974 are the same.

BEST COPY AVAILABLE

ESTIMATED FEDERAL INCOME TAX PAYMENTS
MARRIED PERSONS FILING SEPARATE RETURNS

Adjusted Gross Income	2 Parents 0 Children	2 Parents 1 Child	2 Parents 2 Children	2 Parents 3 Children	2 Parents 4 Children	2 Parents 5 Children	2 Parents 6 Children	2 Parents 7 Children	2 Parents 8 Children
6,500	695	552	409	271	140	36	0	0	0
6,600	714	568	425	286	152	50	0	0	0
6,700	734	585	443	301	177	63	0	0	0
6,800	756	604	462	319	193	77	0	0	0
6,900	778	623	481	338	209	92	0	0	0
7,000	800	642	500	357	225	107	0	0	0
7,100	822	661	519	376	242	122	14	0	0
7,200	844	680	538	395	259	137	28	0	0
7,300	866	701	557	414	276	153	42	0	0
7,400	888	723	576	433	293	169	56	0	0
7,500	910	745	595	452	310	185	70	0	0
7,600	932	767	614	471	329	201	85	0	0
7,700	954	789	633	490	348	217	100	0	0
7,800	976	811	652	509	367	233	115	7	0
7,900	998	833	671	528	386	250	130	21	0
8,000	1,020	855	690	547	405	267	145	35	0
8,100	1,042	877	712	566	424	284	161	49	0
8,200	1,064	899	734	585	443	301	177	63	0
8,300	1,086	921	756	604	462	319	193	77	0
8,400	1,108	943	778	623	481	338	209	92	0
8,500	1,130	965	800	642	500	357	225	107	0
8,600	1,155	987	822	661	519	376	242	122	14
8,700	1,180	1,009	844	680	538	395	259	137	28
8,800	1,205	1,031	866	701	557	414	276	153	42
8,900	1,230	1,053	888	723	576	433	293	169	56
9,000	1,255	1,075	910	745	595	452	310	185	70
9,100	1,280	1,097	932	767	614	471	329	201	85
9,200	1,305	1,119	954	789	633	490	348	217	100
9,300	1,330	1,142	976	811	652	509	367	233	115
9,400	1,355	1,167	998	833	671	528	386	250	130
9,500	1,380	1,192	1,020	855	690	547	405	267	145
9,600	1,405	1,217	1,042	877	712	566	424	284	161
9,700	1,430	1,242	1,064	899	734	585	443	301	177
9,800	1,455	1,267	1,086	921	756	604	462	319	193
9,900	1,480	1,292	1,108	943	778	623	481	338	209
10,000	1,505	1,317	1,130	965	800	642	500	357	225
10,100	1,530	1,342	1,155	987	822	661	519	376	242
10,200	1,555	1,367	1,180	1,009	844	680	538	395	259
10,300	1,580	1,392	1,205	1,031	866	701	557	414	276
10,400	1,605	1,417	1,230	1,053	888	723	576	433	293
10,500	1,630	1,442	1,255	1,075	910	745	595	452	310
10,600	1,658	1,467	1,280	1,097	932	767	614	471	329
10,700	1,686	1,492	1,305	1,119	954	789	633	490	348
10,800	1,714	1,517	1,330	1,142	976	811	652	509	367
10,900	1,742	1,542	1,355	1,167	998	833	671	528	386
11,000	1,770	1,567	1,380	1,192	1,020	855	690	547	405

(Continued)

BEST COPY AVAILABLE

Table 4D [*Continued*] **ESTIMATED FEDERAL INCOME TAX PAYMENTS MARRIED PERSONS FILING SEPARATE RETURNS**

Adjusted Gross Income	2 Parents 0 Children	2 Parents 1 Child	2 Parents 2 Children	2 Parents 3 Children	2 Parents 4 Children	2 Parents 5 Children	2 Parents 6 Children	2 Parents 7 Children	2 Parents 8 Children
11,100	1,798	1,592	1,405	1,217	1,042	877	712	566	424
11,200	1,826	1,617	1,430	1,242	1,064	899	734	585	443
11,300	1,854	1,644	1,455	1,267	1,086	921	756	604	462
11,400	1,882	1,672	1,480	1,292	1,108	943	778	623	481
11,500	1,910	1,700	1,505	1,317	1,130	965	800	642	500
11,600	1,938	1,728	1,530	1,342	1,155	987	822	661	519
11,700	1,966	1,756	1,555	1,367	1,180	1,009	844	680	538
11,800	1,994	1,784	1,580	1,392	1,205	1,031	866	701	557
11,900	2,022	1,812	1,605	1,417	1,230	1,053	888	723	576
12,000	2,050	1,840	1,630	1,442	1,255	1,075	910	745	595
12,100	2,078	1,868	1,658	1,467	1,280	1,097	932	767	614
12,200	2,106	1,896	1,686	1,492	1,305	1,119	954	789	633
12,300	2,134	1,924	1,714	1,517	1,330	1,142	976	811	652
12,400	2,162	1,952	1,742	1,542	1,355	1,167	998	833	671
12,500	2,190	1,980	1,770	1,567	1,380	1,192	1,020	855	690
12,600	2,222	2,008	1,798	1,592	1,405	1,217	1,042	877	712
12,700	2,254	2,036	1,826	1,617	1,430	1,242	1,064	899	734
12,800	2,286	2,064	1,854	1,644	1,455	1,267	1,086	921	756
12,900	2,318	2,092	1,882	1,672	1,480	1,292	1,108	943	778
13,000	2,350	2,120	1,910	1,700	1,505	1,317	1,130	965	800
13,100	2,382	2,148	1,938	1,728	1,530	1,342	1,155	987	822
13,200	2,414	2,176	1,966	1,756	1,555	1,367	1,180	1,009	844
13,300	2,446	2,206	1,994	1,784	1,580	1,392	1,205	1,031	866
13,400	2,478	2,238	2,022	1,812	1,605	1,417	1,230	1,053	888
13,500	2,510	2,270	2,050	1,840	1,630	1,442	1,255	1,075	910
13,600	2,542	2,302	2,078	1,868	1,658	1,467	1,280	1,097	932
13,700	2,574	2,334	2,106	1,896	1,686	1,492	1,305	1,119	954
13,800	2,606	2,366	2,134	1,924	1,714	1,517	1,330	1,142	976
13,900	2,638	2,398	2,162	1,952	1,742	1,542	1,355	1,167	998
14,000	2,670	2,430	2,190	1,980	1,770	1,567	1,380	1,192	1,020
14,100	2,702	2,462	2,222	2,008	1,798	1,592	1,405	1,217	1,042
14,200	2,734	2,494	2,254	2,036	1,826	1,617	1,430	1,242	1,064
14,300	2,766	2,526	2,286	2,064	1,854	1,644	1,455	1,267	1,086
14,400	2,798	2,558	[illegible]	2,092	1,882	1,672	1,480	1,292	1,108
14,500	2,830	2,590	2,350	2,120	1,910	1,700	1,505	1,317	1,130
14,600	2,866	2,622	2,382	2,148	1,938	1,728	1,530	1,342	1,155
14,700	2,902	2,654	2,414	2,176	1,966	1,756	1,555	1,367	1,180
14,800	2,938	2,686	2,446	2,206	1,994	1,784	1,580	1,392	1,205
14,900	2,974	2,718	2,478	2,238	2,022	1,812	1,605	1,417	1,230
15,000	3,010	2,750	2,510	2,270	2,050	1,840	1,630	1,442	1,255
15,100	3,046	2,782	2,542	2,302	2,078	1,868	1,658	1,467	1,280
15,200	3,082	2,814	2,574	2,334	2,106	1,896	1,686	1,492	1,305
15,300	3,118	2,848	2,606	2,366	2,134	1,924	1,714	1,517	1,330
15,400	3,154	2,884	2,638	2,398	2,162	1,952	1,742	1,542	1,355
15,500	3,190	2,920	2,670	2,430	2,190	1,980	1,770	1,567	1,380
15,600	3,226	2,956	2,702	2,462	2,222	2,008	1,798	1,592	1,405

BEST COPY AVAILABLE

ESTIMATED FEDERAL INCOME TAX PAYMENTS
MARRIED PERSONS FILING SEPARATE RETURNS

Adjusted Gross Income	2 Parents 0 Children	2 Parents 1 Child	2 Parents 2 Children	2 Parents 3 Children	2 Parents 4 Children	2 Parents 5 Children	2 Parents 6 Children	2 Parents 7 Children	2 Parents 8 Children
15,700	3,262	2,992	2,734	2,494	2,254	2,038	1,826	1,617	1,430
15,800	3,298	3,028	2,766	2,526	2,286	2,064	1,854	1,644	1,455
15,900	3,334	3,064	2,798	2,558	2,318	2,092	1,882	1,672	1,480
16,000	3,370	3,100	2,830	2,590	2,350	2,120	1,910	1,700	1,505
16,100	3,406	3,136	2,866	2,622	2,382	2,148	1,938	1,728	1,530
16,200	3,442	3,172	2,902	2,654	2,414	2,176	1,966	1,756	1,555
16,300	3,478	3,208	2,938	2,686	2,446	2,206	1,994	1,784	1,580
16,400	3,514	3,244	2,974	2,718	2,478	2,238	2,022	1,812	1,605
16,500	3,550	3,280	3,010	2,750	2,510	2,270	2,050	1,840	1,630
16,600	3,589	3,316	3,046	2,782	2,542	2,302	2,078	1,868	1,658
16,700	3,628	3,352	3,082	2,814	2,574	2,334	2,106	1,896	1,686
16,800	3,667	3,388	3,118	2,848	2,606	2,366	2,134	1,924	1,714
16,900	3,706	3,424	3,154	2,884	2,638	2,398	2,162	1,952	1,742
17,000	3,745	3,460	3,190	2,920	2,670	2,430	2,190	1,980	1,770
17,100	3,784	3,496	3,226	2,956	2,702	2,462	2,222	2,008	1,798
17,200	3,823	3,532	3,262	2,992	2,734	2,494	2,254	2,038	1,826
17,300	3,862	3,569	3,298	3,028	2,766	2,526	2,286	2,064	1,854
17,400	3,901	3,608	3,334	3,064	2,798	2,558	2,318	2,092	1,882
17,500	3,940	3,647	3,370	3,100	2,830	2,590	2,350	2,120	1,910
17,600	3,979	3,686	3,406	3,136	2,866	2,622	2,382	2,148	1,938
17,700	4,018	3,725	3,442	3,172	2,902	2,654	2,414	2,176	1,966
17,800	4,057	3,764	3,478	3,208	2,938	2,686	2,446	2,206	1,994
17,900	4,096	3,803	3,514	3,244	2,974	2,718	2,478	2,238	2,022
18,000	4,135	3,842	3,550	3,280	3,010	2,750	2,510	2,270	2,050
18,100	4,174	3,881	3,589	3,316	3,046	2,782	2,542	2,302	2,078
18,200	4,213	3,920	3,628	3,352	3,082	2,814	2,574	2,334	2,106
18,300	4,252	3,959	3,667	3,388	3,118	2,848	2,606	2,366	2,134
18,400	4,291	3,998	3,706	3,424	3,154	2,884	2,638	2,398	2,162
18,500	4,330	4,037	3,745	3,460	3,190	2,920	2,670	2,430	2,190
18,600	4,372	4,076	3,784	3,496	3,226	2,956	2,702	2,462	2,222
18,700	4,414	4,115	3,823	3,532	3,262	2,992	2,734	2,494	2,254
18,800	4,456	4,154	3,862	3,569	3,298	3,028	2,766	2,526	2,286
18,900	4,498	4,193	3,901	3,608	3,334	3,064	2,798	2,558	2,318
19,000	4,540	4,232	3,940	3,647	3,370	3,100	2,830	2,590	2,350
19,100	4,582	4,271	3,979	3,686	3,406	3,136	2,866	2,622	2,382
19,200	4,624	4,310	4,018	3,725	3,442	3,172	2,902	2,654	2,414
19,300	4,666	4,351	4,057	3,764	3,478	3,208	2,938	2,686	2,446
19,400	4,708	4,393	4,096	3,803	3,514	3,244	2,974	2,718	2,478
19,500	4,750	4,435	4,135	3,842	3,550	3,280	3,010	2,750	2,510
19,600	4,792	4,477	4,174	3,881	3,589	3,316	3,046	2,782	2,542
19,700	4,834	4,519	4,213	3,920	3,628	3,352	3,082	2,814	2,574
19,800	4,876	4,561	4,252	3,959	3,667	3,388	3,118	2,848	2,606
19,900	4,918	4,603	4,291	3,998	3,706	3,424	3,154	2,884	2,638
20,000	4,960	4,645	4,330	4,037	3,745	3,460	3,190	2,920	2,670

BEST COPY AVAILABLE

Table 5

NET TAXABLE INCOME FROM TAX PAID *

TAX PAID	A	B	C	D
0	0	0	0	0
5	35	35	35	35
10	71	71	71	71
15	107	107	107	107
20	142	142	142	142
25	178	178	178	178
30	214	214	214	214
35	250	250	250	250
40	285	285	285	285
45	321	321	321	321
50	357	357	357	357
55	392	392	392	392
60	428	428	428	428
65	464	464	464	464
70	500	500	500	500
75	533	535	535	533
80	566	571	571	566
85	600	607	607	600
90	633	642	642	633
95	666	674	678	666
100	700	714	714	700
105	733	750	750	733
110	766	785	785	766
115	800	821	821	800
120	833	857	857	833
125	866	892	892	866
130	900	928	928	900
135	933	964	964	933
140	966	1,000	1,000	966
145	1,000	1,033	1,031	1,000
150	1,031	1,065	1,062	1,031
155	1,062	1,100	1,093	1,062
160	1,093	1,133	1,125	1,093
165	1,125	1,166	1,156	1,125
170	1,156	1,200	1,187	1,156
175	1,187	1,233	1,218	1,187
180	1,218	1,266	1,250	1,218
185	1,250	1,300	1,281	1,250
190	1,281	1,333	1,312	1,281
195	1,312	1,366	1,343	1,312
200	1,343	1,400	1,375	1,343
205	1,375	1,433	1,406	1,375
210	1,406	1,466	1,437	1,406
215	1,437	1,500	1,468	1,437
220	1,468	1,533	1,500	1,468
225	1,500	1,566	1,531	1,500
230	1,529	1,600	1,562	1,529
235	1,558	1,633	1,593	1,558
240	1,588	1,666	1,625	1,588
245	1,617	1,700	1,656	1,617
250	1,647	1,733	1,687	1,647
255	1,676	1,766	1,718	1,676
260	1,706	1,800	1,750	1,706
265	1,735	1,833	1,781	1,735
270	1,764	1,866	1,812	1,764
275	1,794	1,900	1,843	1,794
280	1,823	1,933	1,875	1,823
285	1,852	1,966	1,906	1,852
290	1,882	2,000	1,937	1,882
295	1,911	2,031	1,968	1,911
300	1,941	2,062	2,000	1,941
305	1,970	2,093	2,027	1,970
310	2,000	2,125	2,055	2,000
315	2,028	2,156	2,083	2,028
320	2,052	2,187	2,111	2,052
325	2,078	2,218	2,138	2,078
330	2,105	2,250	2,166	2,105
335	2,131	2,281	2,194	2,131
340	2,157	2,312	2,222	2,157
345	2,184	2,343	2,250	2,184
350	2,210	2,375	2,277	2,210
355	2,236	2,406	2,305	2,236
360	2,263	2,437	2,333	2,263
365	2,289	2,468	2,361	2,289
370	2,315	2,500	2,388	2,315
375	2,342	2,531	2,416	2,342
380	2,368	2,562	2,444	2,368
385	2,394	2,593	2,472	2,394
390	2,421	2,625	2,500	2,421
395	2,447	2,656	2,527	2,447

Schedule A — Unmarried Tax Payers
Schedule B — Married Tax Payers Joint Returns
Schedule C — Heads of Household
Schedule D — Married Tax Payers Separate Returns

*The rates for 1972, 1973, and 1974 are the same.

BEST COPY AVAILABLE

NET TAXABLE INCOME FROM TAX PAID

TAX PAID	A	B	C	D
400	2,473	2,687	2,555	2,473
405	2,500	2,718	2,583	2,500
410	2,526	2,750	2,611	2,526
415	2,552	2,781	2,638	2,552
420	2,578	2,812	2,666	2,578
425	2,605	2,843	2,694	2,605
430	2,631	2,875	2,722	2,631
435	2,657	2,906	2,750	2,657
440	2,684	2,937	2,777	2,684
445	2,710	2,968	2,805	2,710
450	2,736	3,000	2,833	2,736
455	2,763	3,029	2,861	2,763
460	2,789	3,058	2,888	2,789
465	2,815	3,088	2,916	2,815
470	2,842	3,117	2,944	2,842
475	2,867	3,147	2,972	2,868
480	2,894	3,176	3,000	2,894
485	2,921	3,205	3,027	2,921
490	2,947	3,235	3,055	2,947
495	2,973	3,264	3,083	2,973
500	3,000	3,294	3,111	3,000
505	3,026	3,323	3,138	3,026
510	3,052	3,352	3,166	3,052
515	3,078	3,382	3,194	3,078
520	3,105	3,411	3,222	3,105
525	3,131	3,441	3,250	3,131
530	3,157	3,470	3,277	3,157
535	3,184	3,500	3,305	3,184
540	3,210	3,529	3,333	3,210
545	3,236	3,558	3,361	3,236
550	3,263	3,588	3,388	3,263
555	3,289	3,617	3,416	3,289
560	3,315	3,647	3,444	3,315
565	3,342	3,676	3,472	3,342
570	3,368	3,705	3,500	3,368
575	3,394	3,735	3,527	3,394
580	3,421	3,764	3,555	3,421
585	3,447	3,794	3,583	3,447
590	3,473	3,823	3,611	3,473
595	3,500	3,852	3,638	3,500
600	3,526	3,882	3,666	3,526
605	3,552	3,911	3,694	3,552
610	3,578	3,941	3,722	3,578
615	3,605	3,970	3,750	3,605
620	3,631	4,000	3,777	3,631
625	3,657	4,026	3,805	3,657
630	3,684	4,052	3,833	3,684
635	3,710	4,078	3,861	3,710
640	3,736	4,105	3,888	3,736
645	3,763	4,131	3,916	3,763
650	3,789	4,157	3,944	3,789
655	3,815	4,184	3,972	3,815
660	3,842	4,210	4,000	3,842
665	3,868	4,236	4,026	3,868
670	3,894	4,263	4,052	3,894
675	3,921	4,289	4,078	3,921
680	3,947	4,315	4,105	3,947
685	3,973	4,342	4,131	3,973
690	4,000	4,368	4,157	4,000
695	4,023	4,394	4,184	4,022
700	4,047	4,421	4,210	4,045
705	4,071	4,447	4,236	4,068
710	4,095	4,473	4,263	4,090
715	4,119	4,500	4,289	4,113
720	4,142	4,526	4,315	4,136
725	4,166	4,552	4,342	4,159
730	4,190	4,578	4,368	4,181
735	4,214	4,605	4,394	4,204
740	4,238	4,631	4,421	4,227
745	4,261	4,657	4,447	4,250
750	4,285	4,684	4,473	4,272
755	4,309	4,710	4,500	4,295
760	4,333	4,736	4,526	4,318
765	4,357	4,763	4,552	4,340
770	4,380	4,789	4,578	4,363
775	4,404	4,815	4,605	4,386
780	4,428	4,842	4,631	4,409
785	4,452	4,868	4,657	4,431
790	4,476	4,894	4,684	4,454
795	4,500	4,921	4,710	4,477
800	4,523	4,947	4,736	4,500
805	4,547	4,973	4,763	4,522
810	4,571	5,000	4,789	4,545
815	4,595	5,026	4,815	4,568
820	4,619	5,052	4,842	4,590
825	4,642	5,078	4,868	4,613
830	4,666	5,105	4,894	4,636
835	4,690	5,131	4,921	4,659
840	4,714	5,157	4,947	4,681
845	4,738	5,184	4,973	4,704
850	4,761	5,210	5,000	4,727
855	4,785	5,236	5,026	4,750

(Continued)

BEST COPY AVAILABLE

Table 5 [*Continued*]

NET TAXABLE INCOME FROM TAX PAID

TAX PAID	A	B	C	D
860	4,809	5,263	5,062	4,772
865	4,833	5,289	5,078	4,795
870	4,857	5,315	5,105	4,818
875	4,880	5,342	5,131	4,840
880	4,904	5,368	5,157	4,863
885	4,928	5,394	5,184	4,886
890	4,952	5,421	5,210	4,909
895	4,976	5,447	5,236	4,931
900	5,000	5,473	5,263	4,954
905	5,023	5,500	5,289	4,977
910	5,047	5,526	5,315	5,000
915	5,071	5,552	5,342	5,022
920	5,095	5,578	5,368	5,045
925	5,119	5,605	5,394	5,068
930	5,142	5,631	5,421	5,090
935	5,166	5,657	5,447	5,113
940	5,190	5,684	5,473	5,136
945	5,214	5,710	5,500	5,159
950	5,238	5,736	5,526	5,181
955	5,261	5,763	5,552	5,204
960	5,285	5,789	5,578	5,227
965	5,309	5,815	5,605	5,250
970	5,333	5,842	5,631	5,272
975	5,357	5,868	5,657	5,295
980	5,380	5,894	5,684	5,318
985	5,404	5,921	5,710	5,340
990	5,428	5,947	5,736	5,363
995	5,452	5,973	5,763	5,386
1,000	5,476	6,000	5,789	5,409
1,005	5,500	6,026	5,815	5,431
1,010	5,523	6,052	5,842	5,454
1,015	5,547	6,078	5,868	5,477
1,020	5,571	6,105	5,894	5,500
1,025	5,595	6,131	5,921	5,522
1,030	5,619	6,157	5,947	5,545
1,035	5,642	6,184	5,973	5,568
1,040	5,666	6,210	6,000	5,590
1,045	5,690	6,236	6,022	5,613
1,050	5,714	6,263	6,045	5,636
1,055	5,738	6,289	6,068	5,659
1,060	5,761	6,315	6,090	5,681
1,065	5,785	6,342	6,113	5,704
1,070	5,809	6,368	6,136	5,727
1,075	5,833	6,394	6,159	5,750
1,080	5,857	6,421	6,181	5,772
1,085	5,880	6,447	6,204	5,795
1,090	5,904	6,473	6,227	5,818
1,095	5,928	6,500	6,250	5,840
1,100	5,952	6,526	6,272	5,863
1,105	5,976	6,552	6,295	5,886
1,110	6,000	6,578	6,318	5,909
1,115	6,020	6,605	6,340	5,931
1,120	6,041	6,631	6,363	5,954
1,125	6,062	6,657	6,386	5,977
1,130	6,083	6,684	6,409	6,000
1,135	6,104	6,710	6,431	6,020
1,140	6,125	6,736	6,454	6,040
1,145	6,145	6,763	6,477	6,060
1,150	6,166	6,789	6,500	6,080
1,155	6,187	6,815	6,522	6,100
1,160	6,208	6,842	6,545	6,120
1,165	6,229	6,868	6,568	6,140
1,170	6,250	6,894	6,590	6,160
1,175	6,270	6,921	6,613	6,180
1,180	6,291	6,947	6,636	6,200
1,185	6,312	6,973	6,659	6,220
1,190	6,333	7,000	6,681	6,240
1,195	6,354	7,026	6,704	6,260
1,200	6,375	7,052	6,727	6,280
1,205	6,395	7,078	6,750	6,300
1,210	6,416	7,105	6,772	6,320
1,215	6,437	7,131	6,795	6,340
1,220	6,458	7,157	6,818	6,360
1,225	6,479	7,184	6,840	6,380
1,230	6,500	7,210	6,863	6,400
1,235	6,520	7,236	6,886	6,420
1,240	6,541	7,263	6,909	6,440
1,245	6,562	7,289	6,931	6,460
1,250	6,583	7,315	6,954	6,480
1,255	6,604	7,342	6,977	6,500
1,260	6,625	7,368	7,000	6,520
1,265	6,645	7,394	7,022	6,540
1,270	6,666	7,421	7,045	6,560
1,275	6,687	7,447	7,068	6,580
1,280	6,708	7,473	7,090	6,600
1,285	6,729	7,500	7,113	6,620
1,290	6,750	7,526	7,136	6,640
1,295	6,770	7,552	7,159	6,660
1,300	6,791	7,578	7,181	6,680
1,305	6,812	7,605	7,204	6,700
1,310	6,833	7,631	7,227	6,720
1,315	6,854	7,657	7,250	6,740

BEST COPY AVAILABLE

NET TAXABLE INCOME FROM TAX PAID

TAX PAID	A	B	C	D	TAX PAID	A	B	C	D
1,320	6,875	7,684	7,272	6,760	1,550	7,833	8,772	8,304	7,680
1,325	6,895	7,710	7,295	6,780	1,555	7,854	8,795	8,326	7,700
1,330	6,916	7,736	7,318	6,800	1,560	7,875	8,818	8,347	7,720
1,335	6,937	7,763	7,340	6,820	1,565	7,895	8,840	8,369	7,740
1,340	6,958	7,789	7,363	6,840	1,570	7,916	8,863	8,391	7,760
1,345	6,979	7,815	7,386	6,860	1,575	7,937	8,886	8,413	7,780
1,350	7,000	7,842	7,409	6,880	1,580	7,958	8,909	8,434	7,800
1,355	7,020	7,868	7,431	6,900	1,585	7,979	8,931	8,456	7,820
1,360	7,041	7,894	7,454	6,920	1,590	8,000	8,954	8,478	7,840
1,365	7,062	7,921	7,477	6,940	1,595	8,020	8,977	8,500	7,860
1,370	7,083	7,947	7,500	6,960	1,600	8,040	9,000	8,521	7,880
1,375	7,104	7,973	7,522	6,980	1,605	8,060	9,022	8,543	7,900
1,380	7,125	8,000	7,545	7,000	1,610	8,080	9,045	8,565	7,920
1,385	7,145	8,022	7,568	7,020	1,615	8,100	9,068	8,586	7,940
1,390	7,166	8,045	7,590	7,040	1,620	8,120	9,090	8,608	7,960
1,395	7,187	8,068	7,613	7,060	1,625	8,140	9,113	8,630	7,980
1,400	7,208	8,090	7,636	7,080	1,630	8,160	9,136	8,652	8,000
1,405	7,229	8,113	7,659	7,100	1,635	8,180	9,159	8,673	8,017
1,410	7,250	8,136	7,681	7,120	1,640	8,200	9,181	8,695	8,035
1,415	7,270	8,159	7,704	7,140	1,645	8,220	9,204	8,717	8,053
1,420	7,291	8,181	7,727	7,160	1,650	8,240	9,227	8,739	8,071
1,425	7,312	8,204	7,750	7,180	1,655	8,260	9,250	8,760	8,089
1,430	7,333	8,227	7,772	7,200	1,660	8,280	9,272	8,782	8,107
1,435	7,354	8,250	7,795	7,220	1,665	8,300	9,295	8,804	8,125
1,440	7,375	8,272	7,818	7,240	1,670	8,320	9,318	8,826	8,142
1,445	7,395	8,295	7,840	7,260	1,675	8,340	9,340	8,847	8,160
1,450	7,416	8,318	7,863	7,280	1,680	8,360	9,363	8,869	8,178
1,455	7,437	8,340	7,886	7,300	1,685	8,380	9,386	8,891	8,196
1,460	7,458	8,363	7,909	7,320	1,690	8,400	9,409	8,913	8,214
1,465	7,479	8,386	7,931	7,340	1,695	8,420	9,431	8,934	8,232
1,470	7,500	8,409	7,954	7,360	1,700	8,440	9,454	8,956	8,250
1,475	7,520	8,431	7,977	7,380	1,705	8,460	9,477	8,978	8,267
1,480	7,541	8,454	8,000	7,400	1,710	8,480	9,500	9,000	8,285
1,485	7,562	8,477	8,021	7,420	1,715	8,500	9,522	9,021	8,303
1,490	7,583	8,500	8,043	7,440	1,720	8,520	9,545	9,043	8,321
1,495	7,604	8,522	8,065	7,460	1,725	8,540	9,568	9,065	8,339
1,500	7,625	8,545	8,086	7,480	1,730	8,560	9,590	9,086	8,357
1,505	7,645	8,568	8,108	7,500	1,735	8,580	9,613	9,108	8,375
1,510	7,666	8,590	8,130	7,520	1,740	8,600	9,636	9,130	8,392
1,515	7,687	8,613	8,152	7,540	1,745	8,620	9,659	9,152	8,410
1,520	7,708	8,636	8,173	7,560	1,750	8,640	9,681	9,173	8,428
1,525	7,729	8,659	8,195	7,580	1,755	8,660	9,704	9,195	8,446
1,530	7,750	8,681	8,217	7,600	1,760	8,680	9,727	9,217	8,464
1,535	7,770	8,704	8,239	7,620	1,765	8,700	9,750	9,239	8,482
1,540	7,791	8,727	8,260	7,640	1,770	8,720	9,772	9,260	8,500
1,545	7,812	8,750	8,282	7,660	1,775	8,740	9,795	9,282	8,517

(Continued)

31-506 O - 74 - 20

BEST COPY AVAILABLE

Table 5 [*Continued*]

NET TAXABLE INCOME FROM TAX PAID

TAX PAID	A	B	C	D
1,780	8,760	9,818	9,304	8,535
1,785	8,780	9,840	9,326	8,553
1,790	8,800	9,863	9,347	8,571
1,795	8,820	9,886	9,369	8,589
1,800	8,840	9,909	9,391	8,607
1,805	8,860	9,931	9,413	8,625
1,810	8,880	9,954	9,434	8,642
1,815	8,900	9,977	9,456	8,660
1,820	8,920	10,000	9,478	8,678
1,825	8,940	10,022	9,500	8,696
1,830	8,960	10,045	9,521	8,714
1,835	8,980	10,068	9,543	8,732
1,840	9,000	10,090	9,565	8,750
1,845	9,020	10,113	9,586	8,767
1,850	9,040	10,136	9,608	8,785
1,855	9,060	10,159	9,630	8,803
1,860	9,080	10,181	9,652	8,821
1,865	9,100	10,204	9,673	8,839
1,870	9,120	10,227	9,695	8,857
1,875	9,140	10,250	9,717	8,875
1,880	9,160	10,272	9,739	8,892
1,885	9,180	10,295	9,760	8,910
1,890	9,200	10,318	9,782	8,928
1,895	9,220	10,340	9,804	8,946
1,900	9,240	10,363	9,826	8,964
1,905	9,260	10,386	9,847	8,982
1,910	9,280	10,409	9,869	9,000
1,915	9,300	10,431	9,891	9,017
1,920	9,320	10,454	9,913	9,035
1,925	9,340	10,477	9,934	9,053
1,930	9,360	10,500	9,956	9,071
1,935	9,380	10,522	9,978	9,089
1,940	9,400	10,545	10,000	9,107
1,945	9,420	10,568	10,020	9,125
1,950	9,440	10,590	10,040	9,142
1,955	9,460	10,613	10,060	9,160
1,960	9,480	10,636	10,080	9,178
1,965	9,500	10,659	10,100	9,196
1,970	9,520	10,681	10,120	9,214
1,975	9,540	10,704	10,140	9,232
1,980	9,560	10,727	10,160	9,250
1,985	9,580	10,750	10,180	9,267
1,990	9,600	10,772	10,200	9,285
1,995	9,620	10,795	10,220	9,303
2,000	9,640	10,818	10,240	9,321
2,005	9,660	10,840	10,260	9,339
2,010	9,680	10,863	10,280	9,357
2,015	9,700	10,886	10,300	9,375
2,020	9,720	10,909	10,320	9,392
2,025	9,740	10,931	10,340	9,410
2,030	9,760	10,954	10,360	9,428
2,035	9,780	10,977	10,380	9,446
2,040	9,800	11,000	10,400	9,464
2,045	9,820	11,022	10,420	9,482
2,050	9,840	11,045	10,440	9,500
2,055	9,860	11,068	10,460	9,517
2,060	9,880	11,090	10,480	9,535
2,065	9,900	11,113	10,500	9,553
2,070	9,920	11,136	10,520	9,571
2,075	9,940	11,159	10,540	9,589
2,080	9,960	11,181	10,560	9,607
2,085	9,980	11,204	10,580	9,625
2,090	10,000	11,227	10,600	9,642
2,095	10,018	11,250	10,620	9,660
2,100	10,037	11,272	10,640	9,678
2,105	10,055	11,295	10,660	9,696
2,110	10,074	11,318	10,680	9,714
2,115	10,092	11,340	10,700	9,732
2,120	10,111	11,363	10,720	9,750
2,125	10,129	11,386	10,740	9,767
2,130	10,148	11,409	10,760	9,785
2,135	10,166	11,431	10,780	9,803
2,140	10,185	11,454	10,800	9,821
2,145	10,203	11,477	10,820	9,839
2,150	10,222	11,500	10,840	9,857
2,155	10,240	11,522	10,860	9,875
2,160	10,259	11,545	10,880	9,892
2,165	10,277	11,568	10,900	9,910
2,170	10,296	11,590	10,920	9,928
2,175	10,314	11,613	10,940	9,946
2,180	10,333	11,636	10,960	9,964
2,185	10,351	11,659	10,980	9,982
2,190	10,370	11,681	11,000	10,000
2,195	10,388	11,704	11,020	10,015
2,200	10,407	11,7[illegible]	11,040	10,031
2,205	10,425	11,7[illegible]	11,060	10,046
2,210	10,444	11,77[illegible]	11,080	10,062
2,215	10,462	11,796	11,100	10,078
2,220	10,481	11,818	11,120	10,093
2,225	10,500	11,840	11,140	10,109
2,230	10,518	11,863	11,160	10,125
2,235	10,537	11,886	11,180	10,140

BEST COPY AVAILABLE

NET TAXABLE INCOME FROM TAX PAID

TAX PAID	A	B	C	D
2,240	10,555	11,909	11,200	10,156
2,245	10,574	11,931	11,220	10,171
2,250	10,592	11,954	11,240	10,187
2,255	10,611	11,977	11,260	10,203
2,260	10,629	12,000	11,280	10,218
2,265	10,648	12,020	11,300	10,234
2,270	10,666	12,040	11,320	10,250
2,275	10,685	12,060	11,340	10,265
2,280	10,703	12,080	11,360	10,281
2,285	10,722	12,100	11,380	10,296
2,290	10,740	12,120	11,400	10,312
2,295	10,759	12,140	11,420	10,328
2,300	10,777	12,160	11,440	10,343
2,305	10,796	12,180	11,460	10,359
2,310	10,814	12,200	11,480	10,375
2,315	10,833	12,220	11,500	10,390
2,320	10,851	12,240	11,520	10,406
2,325	10,870	12,260	11,540	10,421
2,330	10,888	12,280	11,560	10,437
2,335	10,907	12,300	11,580	10,453
2,340	10,925	12,320	11,600	10,468
2,345	10,944	12,340	11,620	10,484
2,350	10,962	12,360	11,640	10,500
2,355	10,981	12,380	11,660	10,515
2,360	11,000	12,400	11,680	10,531
2,365	11,018	12,420	11,700	10,546
2,370	11,037	12,440	11,720	10,562
2,375	11,055	12,460	11,740	10,578
2,380	11,074	12,480	11,760	10,593
2,385	11,092	12,500	11,780	10,609
2,390	11,111	12,520	11,800	10,625
2,395	11,129	12,540	11,820	10,640
2,400	11,148	12,560	11,840	10,656
2,405	11,166	12,580	11,860	10,671
2,410	11,185	12,600	11,880	10,687
2,415	11,203	12,620	11,900	10,703
2,420	11,222	12,640	11,920	10,718
2,425	11,240	12,660	11,940	10,734
2,430	11,259	12,680	11,960	10,750
2,435	11,277	12,700	11,980	10,765
2,440	11,296	12,720	12,000	10,781
2,445	11,314	12,740	12,018	10,796
2,450	11,333	12,760	12,037	10,812
2,455	11,351	12,780	12,055	10,828
2,460	11,370	12,800	12,074	10,843
2,465	11,388	12,820	12,092	10,859
2,470	11,407	12,840	12,111	10,875
2,475	11,425	12,860	12,129	10,890
2,480	11,444	12,880	12,148	10,906
2,485	11,462	12,900	12,166	10,921
2,490	11,481	12,920	12,185	10,937
2,495	11,500	12,940	12,203	10,953
2,500	11,518	12,960	12,222	10,968
2,505	11,537	12,980	12,240	10,984
2,510	11,555	13,000	12,259	11,000
2,515	11,574	13,020	12,277	11,015
2,520	11,592	13,040	12,296	11,031
2,525	11,611	13,060	12,314	11,046
2,530	11,629	13,080	12,333	11,062
2,535	11,648	13,100	12,351	11,078
2,540	11,666	13,120	12,370	11,093
2,545	11,685	13,140	12,388	11,109
2,550	11,703	13,160	12,407	11,125
2,555	11,722	13,180	12,425	11,140
2,560	11,740	13,200	12,444	11,156
2,565	11,759	13,220	12,462	11,171
2,570	11,777	13,240	12,481	11,187
2,575	11,796	13,260	12,500	11,203
2,580	11,814	13,280	12,518	11,218
2,585	11,833	13,300	12,537	11,234
2,590	11,851	13,320	12,555	11,250
2,595	11,870	13,340	12,574	11,265
2,600	11,888	13,360	12,592	11,281
2,605	11,907	13,380	12,611	11,296
2,610	11,925	13,400	12,629	11,312
2,615	11,944	13,420	12,648	11,328
2,620	11,962	13,440	12,666	11,343
2,625	11,981	13,460	12,685	11,359
2,630	12,000	13,480	12,703	11,375
2,635	12,017	13,500	12,722	11,390
2,640	12,034	13,520	12,740	11,406
2,645	12,051	13,540	12,759	11,421
2,650	12,068	[illegible]	12,777	11,437
2,655	12,086	[illegible]	12,796	11,453
2,660	12,103	13,600	12,814	11,468
2,665	12,120	13,620	12,833	11,484
2,670	12,137	13,640	12,851	11,500
2,675	12,155	13,660	12,870	11,515
2,680	12,172	13,680	12,888	11,531
2,685	12,189	13,700	12,907	11,546
2,690	12,206	13,720	12,925	11,562
2,695	12,224	13,740	12,944	11,578

(Continued)

BEST COPY AVAILABLE

Table 5 [*Continued*]

NET TAXABLE INCOME FROM TAX PAID

TAX PAID	A	B	C	D
2,700	12,241	13,760	12,982	11,593
2,705	12,258	13,780	12,981	11,609
2,710	12,275	13,800	13,000	11,625
2,715	12,293	13,820	13,018	11,640
2,720	12,310	13,840	13,037	11,656
2,725	12,327	13,860	13,055	11,671
2,730	12,344	13,880	13,074	11,687
2,735	12,362	13,900	13,092	11,703
2,740	12,379	13,920	13,111	11,718
2,745	12,396	13,940	13,129	11,734
2,750	12,413	13,960	13,148	11,750
2,755	12,431	13,980	13,166	11,765
2,760	12,448	14,000	13,185	11,781
2,765	12,465	14,020	13,203	11,796
2,770	12,482	14,040	13,222	11,812
2,775	12,500	14,060	13,240	11,828
2,780	12,517	14,080	13,259	11,843
2,785	12,534	14,100	13,277	11,859
2,790	12,551	14,120	13,296	11,875
2,795	12,568	14,140	13,314	11,890
2,800	12,586	14,160	13,333	11,906
2,805	12,603	14,180	13,351	11,921
2,810	12,620	14,200	13,370	11,937
2,815	12,637	14,220	13,388	11,953
2,820	12,655	14,240	13,407	11,968
2,825	12,672	14,260	13,425	11,984
2,830	12,689	14,280	13,444	12,000
2,835	12,706	14,300	13,462	12,013
2,840	12,724	14,320	13,481	12,027
2,845	12,741	14,340	13,500	12,041
2,850	12,758	14,360	13,518	12,055
2,855	12,775	14,380	13,537	12,069
2,860	12,793	14,400	13,555	12,083
2,865	12,810	14,420	13,574	12,097
2,870	12,827	14,440	13,592	12,111
2,875	12,844	14,460	13,611	12,125
2,880	12,862	14,480	13,629	12,138
2,885	12,879	14,500	13,648	12,152
2,890	12,896	14,520	13,666	12,166
2,895	12,913	14,540	13,685	12,180
2,900	12,931	14,560	13,703	12,194
2,905	12,948	14,580	13,722	12,208
2,910	12,965	14,600	13,740	12,222
2,915	12,982	14,620	13,759	12,236
2,920	13,000	14,640	13,777	12,250
2,925	13,017	14,660	13,796	12,263
2,930	13,034	14,680	13,814	12,277
2,935	13,051	14,700	13,833	12,291
2,940	13,068	14,720	13,851	12,305
2,945	13,086	14,740	13,870	12,319
2,950	13,103	14,760	13,888	12,333
2,955	13,120	14,780	13,907	12,347
2,960	13,137	14,800	13,925	12,361
2,965	13,155	14,820	13,944	12,375
2,970	13,172	14,840	13,962	12,388
2,975	13,189	14,860	13,981	12,402
2,980	13,206	14,880	14,000	12,416
2,985	13,224	14,900	14,017	12,430
2,990	13,241	14,920	14,035	12,444
2,995	13,258	14,940	14,053	12,458
3,000	13,275	14,960	14,071	12,472
3,005	13,293	14,980	14,089	12,486
3,010	13,310	15,000	14,107	12,500
3,015	13,327	15,020	14,125	12,513
3,020	13,344	15,040	14,142	12,527
3,025	13,362	15,060	14,160	12,541
3,030	13,379	15,080	14,178	12,555
3,035	13,396	15,100	14,196	12,569
3,040	13,413	15,120	14,214	12,583
3,045	13,431	15,140	14,232	12,597
3,050	13,448	15,160	14,250	12,611
3,055	13,465	15,180	14,267	12,625
3,060	13,482	15,200	14,285	12,638
3,065	13,500	15,220	14,303	12,652
3,070	13,517	15,240	14,321	12,666
3,075	13,534	15,260	14,339	12,680
3,080	13,551	15,280	14,357	12,694
3,085	13,568	15,300	14,375	12,708
3,090	13,586	15,320	14,392	12,722
3,095	13,603	15,340	14,410	12,736
3,100	13,620	15,360	14,428	12,750
3,105	13,637	15,380	14,446	12,763
3,110	13,655	15,400	14,464	12,777
3,115	13,672	15,420	14,482	12,791
3,120	13,689	15,440	14,500	12,805
3,125	13,706	15,460	14,517	12,819
3,130	13,724	15,480	14,535	12,833
3,135	13,741	15,500	14,553	12,847
3,140	13,758	15,520	14,571	12,861
3,145	13,775	15,540	14,589	12,875
3,150	13,793	15,560	14,607	12,888
3,155	13,810	15,580	14,625	12,902

BEST COPY AVAILABLE

NET TAXABLE INCOME FROM TAX PAID

TAX PAID	A	B	C	D	TAX PAID	A	B	C	D
3,160	13,827	15,600	14,642	12,916	3,345	14,435	16,303	15,303	13,430
3,165	13,844	15,620	14,660	12,930	3,350	14,451	16,321	15,321	13,444
3,170	13,862	15,640	14,678	12,944	3,355	14,467	16,339	15,339	13,45[illegible]
3,175	13,879	15,660	14,696	12,958	3,360	14,483	16,357	15,357	13,47[illegible]
3,180	13,896	15,680	14,714	12,972	3,365	14,500	16,375	15,375	13,486
3,185	13,913	15,700	14,732	12,986	3,370	14,516	16,392	15,392	13,500
3,190	13,931	15,720	14,750	13,000	3,375	14,532	16,410	15,410	13,513
3,195	13,948	15,740	14,767	13,013	3,380	14,548	16,428	15,428	13,527
3,200	13,965	15,760	14,785	13,027	3,385	14,564	16,446	15,446	13,541
3,205	13,982	15,780	14,803	13,041	3,390	14,580	16,464	15,464	13,555
3,210	14,000	15,800	14,821	13,055	3,395	14,596	16,482	15,482	13,569
3,215	14,016	15,820	14,839	13,069	3,400	14,612	16,500	15,500	13,583
3,220	14,032	15,840	14,857	13,083	3,405	14,629	16,517	15,517	13,597
3,225	14,048	15,860	14,875	13,097	3,410	14,645	16,535	15,535	13,611
3,230	14,064	15,880	14,892	13,111	3,415	14,661	16,553	15,553	13,625
3,235	14,080	15,900	14,910	13,125	3,420	14,677	16,571	15,571	13,638
3,240	14,096	15,920	14,928	13,138	3,425	14,693	16,589	15,589	13,652
3,245	14,112	15,940	14,946	13,152	3,430	14,709	16,607	15,607	13,666
3,250	14,129	15,960	14,964	13,166	3,435	14,725	16,625	15,625	13,680
3,255	14,145	15,980	14,982	13,180	3,440	14,741	16,642	15,642	13,694
3,260	14,161	16,000	15,000	13,194	3,445	14,758	16,660	15,660	13,708
3,265	14,177	16,017	15,017	13,208	3,450	14,774	16,678	15,678	13,722
3,270	14,193	16,035	15,035	13,222	3,455	14,790	16,696	15,696	13,736
3,275	14,209	16,053	15,053	13,236	3,460	14,806	16,714	15,714	13,750
3,280	14,225	16,071	15,071	13,250	3,465	14,822	16,732	15,732	13,763
3,285	14,241	16,089	15,089	13,263	3,470	14,838	16,750	15,750	13,777
3,290	14,258	16,107	15,107	13,277	3,475	14,854	16,767	15,767	13,791
3,295	14,274	16,125	15,125	13,291	3,480	14,870	16,785	15,785	13,805
3,300	14,290	16,142	15,142	13,305	3,485	14,887	16,803	15,803	13,819
3,305	14,306	16,160	15,160	13,319	3,490	14,903	16,821	15,821	13,833
3,310	14,322	16,178	15,178	13,333	3,495	14,919	16,839	15,839	13,847
3,315	14,338	16,196	15,196	13,347	3,500	14,935	16,857	15,857	13,861
3,320	14,354	16,214	15,214	13,361	3,505	14,951	16,875	15,875	13,875
3,325	14,370	16,232	15,232	13,375	3,510	14,967	16,892	15,892	13,888
3,330	14,387	16,250	15,250	13,388	3,515	14,983	16,910	15,910	13,902
3,335	14,403	16,267	15,267	13,402	3,520	15,000	16,928	15,928	13,916
3,340	14,419	16,285	15,285	13,416					

302 BEST COPY AVAILABLE

Table 6

AVAILABLE INCOME INCREMENT

AVAILABLE ASSETS	AVAILABLE INCOME 0	250	500	750	1,000	1,250	1,500	1,750	2,000	2,250
0	0	0	0	0	0	0	0	0	0	0
2,000	62	63	64	65	66	67	68	69	70	71
4,000	128	130	132	134	136	139	141	143	145	147
6,000	198	201	204	208	211	215	218	222	225	229
8,000	272	276	281	286	291	296	300	305	310	315
10,000	350	356	362	368	375	381	387	393	400	406
12,000	432	439	447	455	463	471	478	486	494	502
14,000	518	527	536	546	555	565	574	584	593	602
16,000	608	619	630	641	652	664	675	686	697	708
18,000	702	714	728	741	754	767	780	793	806	819
20,000	800	815	830	845	860	875	890	905	920	935
22,000	902	918	936	953	970	987	1,004	1,021	1,038	1,055
24,000	1,008	1,027	1,046	1,065	1,084	1,104	1,123	1,142	1,161	1,180
26,000	1,118	1,139	1,160	1,182	1,203	1,225	1,246	1,268	1,289	1,310
28,000	1,232	1,255	1,279	1,303	1,327	1,351	1,374	1,398	1,422	1,446
30,000	1,350	1,376	1,402	1,428	1,455	1,481	1,507	1,533	1,560	1,586
32,000	1,472	1,500	1,529	1,558	1,587	1,616	1,644	1,673	1,702	1,731
34,000	1,598	1,629	1,660	1,692	1,723	1,755	1,786	1,817	1,849	1,880
36,000	1,728	1,762	1,796	1,830	1,864	1,899	1,933	1,967	2,001	2,035
38,000	1,862	1,898	1,936	1,972	2,010	2,047	2,084	2,121	2,158	2,195
40,000	2,000	2,040	2,080	2,120	2,160	2,200	2,240	2,280	2,320	2,360
42,000	2,142	2,184	2,228	2,270	2,314	2,357	2,400	2,443	2,486	2,529
44,000	2,288	2,334	2,380	2,426	2,472	2,519	2,565	2,611	2,657	2,703
46,000	2,438	2,487	2,536	2,586	2,635	2,685	2,734	2,783	2,833	2,882
48,000	2,592	2,644	2,697	2,750	2,803	2,856	2,908	2,961	3,014	3,067
50,000	2,750	2,806	2,862	2,918	2,975	3,031	3,087	3,143	3,200	3,256
52,000	2,912	2,971	3,031	3,091	3,151	3,211	3,270	3,330	3,390	3,450
54,000	3,078	3,141	3,204	3,268	3,331	3,394	3,458	3,521	3,585	3,648
56,000	3,248	3,315	3,382	3,449	3,516	3,584	3,651	3,718	3,785	3,852
58,000	3,422	3,492	3,564	3,634	3,706	3,776	3,848	3,919	3,990	4,061
60,000	3,600	3,675	3,750	3,825	3,900	3,975	4,050	4,125	4,200	4,275
62,000	3,782	3,860	3,940	4,018	4,098	4,176	4,256	4,335	4,414	4,493
64,000	3,968	4,051	4,134	4,217	4,300	4,384	4,467	4,550	4,633	4,716
66,000	4,158	4,245	4,332	4,420	4,507	4,594	4,682	4,769	4,857	4,944
68,000	4,352	4,443	4,535	4,627	4,719	4,811	4,902	4,994	5,086	5,178
70,000	4,550	4,645	4,742	4,838	4,935	5,030	5,127	5,223	5,320	5,415
72,000	4,752	4,852	4,953	5,054	5,155	5,256	5,356	5,457	5,558	5,659
74,000	4,958	5,063	5,168	5,273	5,379	5,484	5,590	5,695	5,801	5,906
76,000	5,168	5,278	5,388	5,498	5,608	5,719	5,829	5,939	6,049	6,159
78,000	5,382	5,496	5,612	5,726	5,842	5,956	6,072	6,186	6,302	6,417
80,000	5,600	5,720	5,840	5,960	6,080	6,200	6,320	6,440	6,560	6,680
82,000	5,822	5,946	6,072	6,196	6,322	6,446	6,572	6,696	6,822	6,947
84,000	6,048	6,178	6,308	6,438	6,568	6,699	6,829	6,959	7,089	7,219
86,000	6,278	6,413	6,548	6,683	6,819	6,954	7,090	7,225	7,361	7,496
88,000	6,512	6,652	6,793	6,934	7,075	7,216	7,356	7,497	7,638	7,779
90,000	6,750	6,895	7,042	7,188	7,335	7,480	7,627	7,773	7,920	8,065
92,000	6,992	7,143	7,295	7,447	7,599	7,751	7,902	8,054	8,206	8,358
94,000	7,238	7,394	7,552	7,709	7,867	8,024	8,182	8,339	8,497	8,654
96,000	7,488	7,651	7,814	7,977	8,140	8,304	8,467	8,630	8,793	8,956
98,000	7,742	7,910	8,080	8,248	8,418	8,586	8,756	8,924	9,094	9,262
100,000	8,000	8,175	8,350	8,525	8,700	8,875	9,050	9,225	9,400	9,575

AVAILABLE ASSETS	AVAILABLE INCOME 2,500	2,750	3,000	3,250	3,500	3,750	4,000	4,250	4,500	4,750
0	0	0	0	0	0	0	0	0	0	0
2,000	72	73	74	75	76	77	78	79	80	81
4,000	150	152	154	156	158	161	163	165	167	169
6,000	232	235	239	242	246	249	253	256	260	263
8,000	320	324	329	334	339	344	348	353	358	363
10,000	412	419	425	431	437	443	450	456	462	469
12,000	510	517	525	533	541	549	556	564	572	581
14,000	612	621	631	640	650	659	669	678	688	697
16,000	720	731	742	753	764	776	787	798	809	820
18,000	832	845	858	871	884	897	910	923	936	949
20,000	950	964	980	995	1,010	1,025	1,040	1,055	1,070	1,085
22,000	1,072	1,089	1,106	1,123	1,140	1,157	1,174	1,191	1,208	1,225
24,000	1,200	1,219	1,238	1,257	1,276	1,296	1,315	1,334	1,353	1,372
26,000	1,332	1,353	1,375	1,396	1,418	1,439	1,461	1,482	1,504	1,525
28,000	1,470	1,493	1,517	1,541	1,565	1,589	1,612	1,636	1,660	1,684
30,000	1,612	1,638	1,665	1,691	1,717	1,743	1,770	1,796	1,822	1,848
32,000	1,760	1,788	1,817	1,846	1,875	1,904	1,932	1,961	1,990	2,019
34,000	1,912	1,943	1,975	2,006	2,038	2,069	2,101	2,132	2,164	2,195
36,000	2,070	2,104	2,138	2,172	2,206	2,241	2,275	2,309	2,343	2,377
38,000	2,232	2,269	2,306	2,343	2,380	2,417	2,454	2,491	2,528	2,565
40,000	2,400	2,440	2,480	2,520	2,560	2,600	2,640	2,680	2,720	2,760
42,000	2,572	2,615	2,658	2,701	2,744	2,787	2,830	2,873	2,916	2,959
44,000	2,750	2,796	2,842	2,888	2,934	2,981	3,027	3,073	3,119	3,165
46,000	2,932	2,981	3,031	3,080	3,130	3,179	3,229	3,278	3,328	3,377
48,000	3,120	3,172	3,225	3,278	3,331	3,384	3,436	3,489	3,542	3,595
50,000	3,312	3,369	3,425	3,481	3,537	3,593	3,650	3,706	3,762	3,818
52,000	3,510	3,569	3,629	3,689	3,749	3,809	3,868	3,928	3,988	4,048
54,000	3,712	3,775	3,839	3,902	3,966	4,029	4,093	4,156	4,220	4,283
56,000	3,920	3,987	4,054	4,121	4,188	4,256	4,323	4,390	4,457	4,524
58,000	4,132	4,203	4,274	4,345	4,416	4,487	4,558	4,629	4,700	4,771
60,000	4,350	4,425	4,500	4,575	4,650	4,725	4,800	4,875	4,950	5,025
62,000	4,572	4,651	4,730	4,809	4,888	4,967	5,046	5,125	5,204	5,283
64,000	4,800	4,883	4,966	5,049	5,132	5,216	5,299	5,382	5,465	5,548
66,000	5,032	5,119	5,207	5,294	5,382	5,469	5,557	5,644	5,732	5,819
68,000	5,270	5,361	5,453	5,545	5,637	5,729	5,820	5,912	6,004	6,096
70,000	5,512	5,608	5,705	5,800	5,897	5,993	6,090	6,185	6,282	6,378
72,000	5,760	5,860	5,961	6,062	6,163	6,264	6,364	6,465	6,566	6,667
74,000	6,012	6,117	6,223	6,328	6,434	6,539	6,645	6,750	6,856	6,961
76,000	6,270	6,380	6,490	6,600	6,710	6,821	6,931	7,041	7,151	7,261
78,000	6,532	6,647	6,762	6,877	6,992	7,107	7,222	7,337	7,452	7,567
80,000	6,800	6,920	7,040	7,160	7,280	7,400	7,520	7,640	7,760	7,880
82,000	7,072	7,197	7,322	7,447	7,572	7,697	7,822	7,947	8,072	8,197
84,000	7,350	7,480	7,610	7,740	7,870	8,001	8,131	8,261	8,391	8,521
86,000	7,632	7,767	7,903	8,038	8,174	8,309	8,445	8,580	8,716	8,851
88,000	7,920	8,060	8,201	8,342	8,483	8,624	8,764	8,905	9,046	9,187
90,000	8,212	8,358	8,505	8,650	8,797	8,943	9,090	9,235	9,382	9,528
92,000	8,510	8,661	8,813	8,965	9,117	9,269	9,420	9,572	9,724	9,876
94,000	8,812	8,969	9,127	9,284	9,442	9,599	9,757	9,914	10,072	10,229
96,000	9,120	9,283	9,446	9,609	9,772	9,936	10,099	10,262	10,425	10,588
98,000	9,432	9,601	9,770	9,939	10,108	10,277	10,446	10,615	10,784	10,953
100,000	9,750	9,925	10,100	10,275	10,450	10,625	10,800	10,975	11,150	11,325

[Continued]

303
BEST COPY AVAILABLE

BEST COPY AVAILABLE

Table 6 (Continued)

AVAILABLE ASSETS	AVAILABLE INCOME 5,000	5,250	5,500	5,750	6,000	6,250	6,500	6,750	7,000	7,250
0	0	0	0	0	0	0	0	0	0	0
2,000	83	84	85	86	87	88	89	90	91	92
4,000	172	174	176	178	180	183	185	187	189	191
6,000	267	270	273	277	280	284	287	291	294	298
8,000	368	372	377	382	387	392	396	401	406	411
10,000	475	481	487	493	500	506	512	518	525	531
12,000	588	595	603	611	619	627	634	642	650	658
14,000	707	716	725	735	744	754	763	773	782	791
16,000	832	843	854	865	876	888	899	910	921	932
18,000	963	975	999	1,002	1,015	1,028	1,041	1,054	1,067	1,080
20,000	1,100	1,115	1,130	1,145	1,160	1,175	1,190	1,205	1,220	1,235
22,000	1,243	1,259	1,277	1,294	1,311	1,328	1,345	1,362	1,379	1,396
24,000	1,392	1,411	1,430	1,449	1,468	1,488	1,507	1,526	1,545	1,564
26,000	1,547	1,568	1,589	1,611	1,632	1,654	1,675	1,697	1,718	1,739
28,000	1,708	1,731	1,755	1,779	1,803	1,827	1,850	1,874	1,898	1,922
30,000	1,875	1,901	1,927	1,953	1,980	2,006	2,032	2,058	2,085	2,111
32,000	2,048	2,076	2,105	2,134	2,163	2,192	2,220	2,249	2,278	2,307
34,000	2,227	2,258	2,289	2,321	2,352	2,384	2,415	2,446	2,478	2,509
36,000	2,412	2,446	2,480	2,514	2,548	2,583	2,617	2,651	2,685	2,719
38,000	2,603	2,639	2,677	2,713	2,751	2,788	2,825	2,862	2,899	2,936
40,000	2,800	2,840	2,880	2,920	2,960	3,000	3,040	3,080	3,120	3,160
42,000	3,003	3,045	3,089	3,131	3,175	3,218	3,261	3,304	3,347	3,390
44,000	3,212	3,258	3,304	3,350	3,396	3,443	3,489	3,535	3,581	3,627
46,000	3,427	3,476	3,525	3,575	3,624	3,674	3,723	3,772	3,822	3,871
48,000	3,648	3,700	3,753	3,806	3,859	3,912	3,964	4,017	4,070	4,123
50,000	3,875	3,931	3,987	4,043	4,100	4,156	4,212	4,268	4,325	4,381
52,000	4,108	4,167	4,227	4,287	4,347	4,407	4,466	4,526	4,586	4,646
54,000	4,347	4,410	4,473	4,537	4,600	4,663	4,727	4,790	4,854	4,917
56,000	4,592	4,659	4,726	4,793	4,860	4,928	4,995	5,062	5,129	5,196
58,000	4,843	4,913	4,985	5,055	5,127	5,197	5,269	5,340	5,411	5,482
60,000	5,100	5,175	5,250	5,325	5,400	5,475	5,550	5,625	5,700	5,775
62,000	5,363	5,441	5,521	5,599	5,679	5,757	5,837	5,916	5,995	6,076
64,000	5,632	5,715	5,798	5,881	5,964	6,048	6,131	6,214	6,297	6,380
66,000	5,907	5,994	6,081	6,169	6,256	6,343	6,431	6,518	6,606	6,693
68,000	6,188	6,279	6,371	6,463	6,555	6,647	6,738	6,830	6,922	7,014
70,000	6,475	6,570	6,667	6,763	6,860	6,955	7,052	7,148	7,245	7,340
72,000	6,768	6,868	6,969	7,070	7,171	7,272	7,372	7,473	7,574	7,675
74,000	7,067	7,172	7,277	7,382	7,488	7,593	7,699	7,804	7,910	8,015
76,000	7,372	7,482	7,592	7,702	7,812	7,923	8,033	8,143	8,253	8,363
78,000	7,683	7,797	7,913	8,027	8,143	8,257	8,373	8,487	8,603	8,718
80,000	8,000	8,120	8,240	8,360	8,480	8,600	8,720	8,840	8,960	9,080
82,000	8,323	8,447	8,573	8,697	8,823	8,947	9,073	9,197	9,323	9,448
84,000	8,652	8,782	8,912	9,042	9,172	9,303	[illegible]	9,563	9,693	9,823
86,000	8,987	9,122	9,257	9,392	9,528	9,663	9,799	9,934	10,070	10,205
88,000	9,328	9,468	9,609	9,750	9,891	10,032	10,172	10,313	10,454	10,595
90,000	9,675	9,820	9,967	10,113	10,260	10,405	10,552	10,698	10,845	10,990
92,000	10,028	10,179	10,331	10,483	10,635	10,787	10,938	11,090	11,242	11,394
94,000	10,387	10,543	10,701	10,858	11,016	11,173	11,331	11,488	11,646	11,803
96,000	10,752	10,915	11,078	11,241	11,404	11,568	11,731	11,894	12,057	12,220
98,000	11,123	11,291	11,461	11,629	11,799	11,967	12,137	12,305	12,475	12,643
100,000	11,500	11,675	11,850	12,025	12,200	12,375	12,550	12,725	12,900	13,075

BEST COPY AVAILABLE

AVAILABLE ASSETS	AVAILABLE INCOME 7,500	7,750	8,000	8,250	8,500	8,750	9,000	9,250	9,500	9,750
0	0	0	0	0	0	0	0	0	0	0
2,000	93	94	95	96	97	98	99	100	101	102
4,000	194	196	198	200	202	205	207	209	211	213
6,000	301	304	308	311	315	318	322	325	329	332
8,000	416	420	425	430	435	440	444	449	454	459
10,000	537	543	550	556	562	568	575	581	587	593
12,000	666	673	681	689	697	705	712	720	728	736
14,000	801	810	820	829	839	848	858	867	877	886
16,000	944	955	966	977	988	1,000	1,0[illegible]	1,022	1,033	1,044
18,000	1,093	1,106	1,119	1,132	1,145	1,158	1,171	1,184	1,197	1,210
20,000	1,250	1,265	1,280	1,295	1,310	1,325	1,340	1,355	1,370	1,385
22,000	1,413	1,430	1,447	1,464	1,481	1,498	1,515	1,532	1,549	1,566
24,000	1,586	1,603	1,627	1,641	1,660	1,680	1,699	1,718	1,737	1,756
26,000	1,761	1,787	1,804	1,825	1,847	1,868	1,890	1,911	1,933	1,954
28,000	1,946	1,969	1,993	2,017	2,041	2,065	2,088	2,112	2,136	2,160
30,000	2,147	2,163	2,190	2,216	2,242	2,268	2,295	2,321	2,347	2,373
32,000	2,336	2,364	2,393	2,422	2,451	2,480	2,508	2,537	2,566	2,595
34,000	2,541	2,572	2,604	2,635	2,667	2,698	2,730	2,761	2,793	2,824
36,000	2,754	2,788	2,822	2,856	2,890	2,925	2,959	2,993	3,027	3,061
38,000	2,973	3,010	3,047	3,084	3,121	3,158	3,195	3,232	3,269	3,306
40,000	3,200	3,240	3,280	3,320	3,360	3,400	3,440	3,480	3,520	3,560
42,000	3,433	3,476	3,519	3,562	3,605	3,648	3,691	3,734	3,777	3,820
44,000	3,674	3,720	3,766	3,812	3,858	3,905	3,951	3,997	4,043	4,089
46,000	3,921	3,970	4,020	4,069	4,119	4,169	4,218	4,267	4,317	4,366
48,000	4,176	4,228	4,281	4,334	4,387	4,440	4,492	4,545	4,598	4,651
50,000	4,437	4,493	4,550	4,606	4,662	4,718	4,775	4,831	4,887	4,943
52,000	4,706	4,765	4,825	4,885	4,945	5,005	5,064	5,124	5,184	5,244
54,000	4,981	5,044	5,108	5,171	5,235	5,298	5,362	5,425	5,489	5,552
56,000	5,264	5,331	5,398	5,465	5,532	5,610	5,667	5,734	5,801	5,868
58,000	5,553	5,624	5,695	5,766	5,837	5,908	5,979	6,050	6,121	6,192
60,000	5,850	5,925	6,000	6,075	6,150	6,225	6,300	6,375	6,450	6,525
62,000	6,153	6,232	6,311	6,390	6,469	6,548	6,627	6,706	6,785	6,864
64,000	6,464	6,547	6,630	6,713	6,796	6,880	6,963	7,046	7,129	7,212
66,000	6,781	6,868	6,956	7,043	7,131	7,219	7,306	7,393	7,481	7,568
68,000	7,106	7,197	7,289	7,381	7,473	7,565	7,656	7,748	7,840	7,932
70,000	7,437	7,533	7,630	7,725	7,822	7,918	8,015	8,110	8,207	8,303
72,000	7,776	7,876	7,977	8,078	8,179	8,280	8,380	8,481	8,582	8,683
74,000	8,121	8,226	8,332	8,437	8,543	8,648	8,754	8,859	8,965	9,070
76,000	8,474	8,584	8,694	8,804	8,914	9,025	9,135	9,245	9,355	9,465
78,000	8,833	8,948	9,063	9,178	9,293	9,408	9,523	9,638	9,753	9,868
80,000	9,200	9,320	9,440	9,560	9,680	9,800	9,920	10,040	10,160	10,280
82,000	9,573	9,698	9,823	9,948	10,073	10,198	10,323	10,448	10,573	10,698
84,000	9,954	10,084	10,214	10,344	10,474	10,605	10,735	10,865	10,995	11,125
86,000	10,341	10,476	10,612	10,747	10,883	11,018	11,154	11,289	11,425	11,560
88,000	10,736	10,876	11,017	11,159	11,299	11,440	11,580	11,721	11,862	12,003
90,000	11,137	11,283	11,430	11,575	11,722	11,868	12,015	12,160	12,307	12,453
92,000	11,546	11,697	11,849	12,001	12,153	12,305	12,456	12,608	12,760	12,912
94,000	11,961	12,119	12,276	12,433	12,591	12,748	12,906	13,063	13,221	13,378
96,000	12,384	12,547	12,710	12,873	13,036	13,200	13,363	13,526	13,689	13,852
98,000	12,813	12,982	13,151	13,320	13,489	13,658	13,827	13,996	14,165	14,334
100,000	13,250	13,[illegible]	13,600	13,775	13,950	14,125	14,300	14,475	14,650	14,825

BEST COPY AVAILABLE

CFAR COMMENTS

Comment No.	Explanation
01	*ASSUMED APPLICANT'S AGE LESS THAN THIRTY.* The applicant did not give his birthdate; for purposes of the analysis, assume he is under 30 years of age. The relevance of this assumption hinges on the ACT Need Analysis System method of treating a student who has indicated he is dependent upon his parents. If he is under 30 years of age, treat him as dependent. If he is over 30, has income over $600 per year, is unmarried and has no children, and is not listed as a tax exemption by his parents, treat him as self-supporting even though he has indicated that his parents are currently contributing. If he does not have income over $600 per year, but meets the other criteria in the previous sentence, treat him as dependent. If the applicant indicates that he is married, process him through the "Married Dependent" model irrespective of age, so long as parents are contributing or will claim him in 1973, 1974, or 1975.
02	*TAX DEDUCTIONS BELOW STANDARD AMOUNT.* Tax deductions are less than standard amounts for this income. The standard deduction is 15% of the adjusted gross income with a range of $1,300 to $2,000. The significance of the deductions being less than standard is that tax paid is too large for the income reported. It may be that some income was not reported or that the tax figure is in error. (Generally, this comment reflects the parents' having marked the FFS with form W-2 withholding instead of actual tax paid.) In calculating estimated year taxes, ACT will use the federal tax schedules (Table 4A-4D), based on a standard deduction in lieu of the regular procedure described on page 27 in this manual. The student has been notified of the possible discrepancy on the SFAR. If he submits a correction, ACT will forward a revised CFAR.
03	*ASSUMED APPLICANT IS UNMARRIED.* The applicant did not respond to the question concerning marital status (Block J). It is assumed the applicant is not married.
04	*TAX DEDUCTIONS HIGHER THAN AVERAGE.* Tax deductions are significantly larger than standard amounts. Refer to the text of comment 02 for discussion of standard deductions. Families with large deductions have itemized their deductions to reduce taxes. Often such families are faced with high medical expenses which seriously limit the buying power of their income.
05	*ASSUMED APPLICANT HAS XX CHILDREN.* The applicant did not respond to FFS Block K. Data on the FFS result in this assumption.
06	*ASSUMED XX OTHER DEPENDENTS (FFS BLOCK L).* Data on the FFS result in this assumption.
07	*ASSUMED 01 IN APP'S. HOUSEHOLD IN COLL.* The applicant did not respond to FFS Block M. Data on the FFS result in this assumption.
08	*ASSUMED APPLICANT IS A U.S. CITIZEN.* The applicant did not respond to FFS Block Q. It is assumed the applicant is a U.S. Citizen.

BEST COPY AVAILABLE

09 *ASSUMED MAIN FAMILY EARNER IS AGE 40.*

No age was reported on the Family Financial Statement for the head of household. In computing the Retirement Allowance, age 40 is assumed.

10 *ASSUMED FAMILY SIZE IS XX.*

The applicant did not respond to FFS Block T(2). Data on the FFS result in this assumption.

11 *ASSUMED NO SIBLINGS IN COLLEGE.*

The applicant did not respond to FFS Block T(3). Data on the FFS result in this assumption.

12 *ASSUMED SIBLINGS LIVE AT HOME XX MONTHS.*

The applicant did not respond to FFS Block T(4). T(3) times 3 months assumed.

13 *ASSUMED PARENTS ARE (DIVORCED, SEPARATED, OR WIDOWED).*

Assumption based on type of tax return, exemptions claimed and response to T(2).

14 *ASSUMED APPLICANT LIVES WITH PARENTS.*

The applicant did not answer the residence question(s) in Block W. It is assumed he is dependent from other data on the FFS.

15 *ASSUMED PARENTS SUPPORT APPLICANT.*

The applicant did not answer the question, "Will applicant receive any financial assistance from parents or guardians in 1973, 1974, 1975?". It is assumed parents are currently contributing to his support because of other data. Applicant is considered dependent.

16 *ASSUMED PARENTS CLAIM APP. AS TAX EXEMP.*

The applicant did not answer the question, "Was applicant claimed on parents' or guardians' 1973, 1974, or 1975 Federal Income Tax Return?". It is assumed that the applicant is claimed by his parents as an income tax exemption because of other data.

17 *FFS REJECTED FOR PARENTAL FINANCIAL DATA.*

The Family Financial Statement is rejected for missing income information. ACT will request additional information and, on receipt, will forward a revised CFAR. Generally, this comment indicates that parents failed to indicate one or more of the amounts required in adjusted gross income, federal tax paid, or exemptions claimed.

18 *FFS REJECTED FOR APPLICANT INCOME DATA.*

Inadequate financial information is given for applicant or spouse, yet applicant indicates he is self-supporting. ACT will request additional information and/on receipt, will forward a revised CFAR.

19 *BASE YEAR DATE ASSUMED FROM DATA.*

No base year was checked. The year was assumed in accordance with the date the FFS was received.

20 *(ALWAYS BLANK); USED FOR PROGRAMING ONLY.*

[*Continued*]

BEST COPY AVAILABLE

21 *ASSUMED PARENTS FILED JOINT RETURN.*

The question, "Was this a joint return?", was not answered for a given married person. It is assumed that a joint return was filed.

22 *ASSUMED PARENTS DIDN'T FILE JOINT RETURN.*

Data on the FFS support a conclusion different from that in 21 above.

23 *ASSUMED XX TAX EXEMP. CLAIMED BY PARENTS.*

The applicant did not specify parental tax exemptions. Data on the FFS support this as the assumed value.

24 *ASSUMED PARENTS HAVE NO BASE YEAR AGI.*

The applicant's parents did not show any base year income. Because they have shown "OTHER INCOME" and no federal tax, it is assumed they had no base year taxable income.

25 *NO AMT. SHOWN FOR DISCRETIONARY DEDUC.*

It appears parents itemized deductions, but they indicated no deductions for interest or contributions.

26 *ASSUMED APPLICANT IS A 13TH YEAR STUDENT.*

Applicant did not respond to FFS Block I. It is assumed applicant is a first-year student.

27 *ASSUMED APPLICANT IS MARRIED.*

The applicant did not respond to FFS Block J. Since other data on the form refer to a spouse, it is assumed that the applicant is married.

28 *ASSUMED APPLICANT FILED JOINT RETURN.*

The applicant did not respond to this question. Data on the FFS support this assumption.

29 *ASSUMED APPLICANT DIDN'T FILE JOINT RETURN.*

Data on the FFS support a conclusion different from that in 28 above.

30 *ASSUMED APPLICANT HAS XX EXEMPTIONS.*

The applicant did not indicate number of exemptions claimed. Data on the FFS support this assumption.

31 *FAMILY SIZE DIFFERS FROM EXEMP. CLAIMED.*

32 *ASSUMED APPLICANT HAD NO 1973 AGI.*

The applicant did not show a 1973 Adjusted Gross Income. Data on the FFS support this assumption.

33 *FFS REJECTED FOR APP. FINANCIAL DATA.*

The applicant appears to be self-supporting, but shows no financial information. ACT will request additional information and, on receipt, will forward a revised CFAR.

BEST COPY AVAILABLE

34 *FFS REJECTED FOR APP'S. EST. INCOME.*

The applicant did not give an estimated income from employment between July, 1974 and June, 1975. ACT will request additional information and, on receipt, will forward a revised CFAR.

35 *ASSUMED APP'S. SOC. SEC. IS $100/MO.*

The applicant indicated he or she will be receiving Social Security benefits but failed to indicate the amount. An amount of $100/month is assumed.

36 *ASSUMED APP. RECEIVES SOC. SEC. FOR 9 MO.*

The applicant listed a monthly social security amount, but did not specify the duration. Nine months of benefits are assumed.

37 *ASSUMED APP'S. VA-GI BENEFITS ARE XXX/MO.*

The applicant indicated he or she will be receiving veteran's benefits, but failed to indicate the amount. The amount above is assumed from the current GI Bill schedule.

38 *ASSUMED APP. RECEIVES VA-GI FOR 9 MO.*

The applicant listed a monthly veteran's benefit amount, but did not specify the duration. Nine months of benefits are assumed.

39 *RESERVED FOR FUTURE USE.*

40 *ASSUMED FOUR YEARS TO NEXT DEGREE.*

The applicant did not respond to FFS Block P. To avoid delay in forwarding results of the need analysis to the institution(s), the form was processed. The financial aid administrator may wish to determine degree objective.

41 *MORE THAN ONE IN POSTSECONDARY EDUCATION.*

42 *OUT-OF-STATE FEE USED IN BUDGET ANALYSIS.*

The student comes from a state different from that in which the institution is located. The analysis of need has been modified by using the appropriate out-of-state fee, if any was stipulated by the institution to which the Comprehensive Financial Aid Report is being sent.

43 *RESERVED FOR FUTURE USE.*

44 *RESERVED FOR FUTURE USE.*

45 *RESERVED FOR FUTURE USE.*

46 *RESERVED FOR FUTURE USE.*

47 *RESERVED FOR FUTURE USE.*

48 *SIGNATURE OMITTED BY ONE OF RESPONDERS.*

The FFS, as submitted to ACT, did not contain signatures for everyone providing financial data. To avoid untimely delay in forwarding results of the need analysis to the institution(s), the form was processed. The financial aid administrator may wish to obtain relevant signatures.

[*Continued*]

BEST COPY AVAILABLE

49	*APP. WILL BE IN HIGH SCHOOL FALL 1974.*
50	*APPARENTLY NO TAX RETURN EVER FILED.*
	Parents in a dependent model or the applicant in an independent model gridded the oval "Did Not File a Federal Income Tax Return for Either Year". Only "Other Income" is used in calculations since a tax return has apparently never been filed.
51	*RESERVED FOR FUTURE USE.*
52	*RESERVED FOR FUTURE USE.*
53	*RESERVED FOR FUTURE USE.*
54	****FISL APPLICATION****
	The applicant indicated this is an application for a Federally Insured Student Loan, in addition to or in lieu of other aid.
55	*A PREVIOUS FFS WAS SUBMITTED.*
56	*POSSIBLE SOCIAL SECURITY NUMBER ERROR.*
	The applicant is being asked to verify his or her social security number since it appears to duplicate that given by another student.
57	*RESERVED FOR FUTURE USE.*
58	*RESERVED FOR FUTURE USE.*
59	*RESERVED FOR FUTURE USE.*
60	*RESERVED FOR FUTURE USE.*
61	*RESERVED FOR FUTURE USE.*
62	*RESERVED FOR FUTURE USE.*
63	*RESERVED FOR FUTURE USE.*
64	*FFS REJECTED FOR FARM/BUSINESS VALUE.*
	The main family earner's occupation is indicated as farming or business, yet no value is shown for the farm or business. ACT will request additional information and, on receipt, will forward a revised CFAR.
65	*RESERVED FOR FUTURE USE.*
66	*RESERVED FOR FUTURE USE.*
67	*RESERVED FOR FUTURE USE.*
68	*RESERVED FOR FUTURE USE.*

BEST COPY AVAILABLE

69 *(ALWAYS BLANK), USED FOR PROGRAMMING ONLY.*

70 *RESERVED FOR FUTURE USE.*

71 *RESERVED FOR FUTURE USE.*

72 *RESERVED FOR FUTURE USE.*

73 *RESERVED FOR FUTURE USE.*

74 *RESERVED FOR FUTURE USE.*

75 *RESERVED FOR FUTURE USE.*

76 *SPECIAL COLLEGE OPTION USED IN ANALYSIS.*

This comment occurs when special arrangements have been made to calculate the need analysis in a particular manner.

77 *RESERVED FOR FUTURE USE.*

78 *RESERVED FOR FUTURE USE.*

79 *RESERVED FOR FUTURE USE.*

80 *HOUSEKEEPING ALLOWANCE USED IN ANALYSIS.*

The housekeeping allowance is included in the calculations. Please see chapter 4 for the rationale for this allowance.

81 *RESERVED FOR FUTURE USE.*

82 *RESERVED FOR FUTURE USE.*

83 *RESERVED FOR FUTURE USE.*

84 *ASSUME SPOUSE GRADUATES CONCURRENTLY.*

The spouse was listed on the Family Financial Statement as being a full-time college student, but the year of spouse's anticipated graduation was not given. Therefore, the applicant's spouse is assumed to be in the same year as the applicant. All calculations are made on the assumption that the same number of years of college remain for the spouse as for the applicant. The financial aid administrators may wish to check against existing data in his or her records.

85 *RESERVED FOR FUTURE USE.*

86 *THIS IS A REVISED CFAR.*

This comment results from corrections or modifications being made to any CFAR at the request of the student.

87 *RESERVED FOR FUTURE USE.*

88 *RESERVED FOR FUTURE USE.*

[Continued]

BEST COPY AVAILABLE

89 *PARENTS (DIVORCED), (SEPARATED) OR (WIDOWED)*

The marital status of dependent applicant's parents is either divorced, separated, or widowed. For purposes of analysis, ACT has utilized the parental income information provided on the Family Financial Statement. The financial aid administrator may wish to alter the analysis to conform with his own policy respecting students dependent upon divorced, separated, or widowed parents.

90 *NONTAXABLE ALLOWANCE IN ANALYSIS*

The sole source of income of the parents of a dependent applicant is nontaxable. To equate the buying power of the nontaxable income to that of taxable income and avoid arriving at an excessive contribution toward education, it is necessary to make allowances against it similar to those used as family size allowances and deductions in taxable-income cases.

For dependent students only, allowances include the appropriate family size allowance (see elsewhere in this manual for further details), and .09 of the total parental income but not less than $780 or more than $1,200. This sum is subtracted from total income and the difference is shown as available income.

ACT will continue to process as taxable those financial statements containing any entries in relevant taxable income fields. (For example, for an entry in the exemption field, it may be clear that the entry is erroneous, but no provisions will be made for the computer to ignore it. Resolution will be by the staff or follow-up to the student and his family.)

This procedure is not used for self-supporting students.

91 *POSSIBLE ERROR IN DATA PROVIDED TO ACT*

An income amount for parents corresponds exactly with an income amount for the applicant. It is possible the applicant made an error in placing data on the FFS.

92 *FAMILY SIZE QUESTIONABLE*

The family size for this analysis is rather large. While it may be correct, the aid administrator's attention is directed to the data for any clarification he may wish to make.

93 *SELF-EMPLOYMENT TAX IN CALCULATION*

The occupation of the main family earner is farm or ranch owner, business owner, or self-employed. The self-employment tax is 8% of the first $10,800 (1972 or 1973) or of first $12,000 (1974) and is shown as "Social Security Tax" on the CFAR.

94 *APPLICANT MAINTAINED XX MONTHS AT HOME*

This comment reflects the converse of what the aid administrator told ACT on the Budget Questionnaire at Question L for the majority of aid applicants. Since the student is maintained for L(1) or L(2) months (see Budget Questionnaire) at school, he/she will be maintained for 12 minus L(1) or L(2) months at home. The converse of *either* L(1) *or* L(2) will be used depending upon whether "Residents" or "Commuters" was checked as typifying "most of your aid *applicants*."

BEST COPY AVAILABLE

ACT RESEARCH REPORT
THE AMERICAN COLLEGE TESTING PROGRAM

TOWARD MORE EQUITABLE DISTRIBUTION OF COLLEGE STUDENT AID FUNDS: PROBLEMS IN ASSESSING STUDENT FINANCIAL NEED

M. D. Orwig

Much is written recently of the financial plight of higher education. Rising cost per student, increasing enrollment, and a leveling of federal, state, and private support have all combined to assert considerable financial pressure on colleges and universities throughout the country. One result of these pressures has been rapidly increasing tuition at both public and private institutions.

Many proposals have been advanced to help parents and students and the colleges themselves pay for the rising cost of higher education (Orwig, 1971). Although the proposals have ranged from free public education for all (Wattenbarger, 1971; Chambers, 1968) to full cost tuition for those who can afford it (Friedman, 1962, 1968; Hansen & Weisbrod, 1971; Roose, 1970; Clurman, 1969), perhaps the most common element of most proposals for aid to higher education is that at least a portion of the aid be granted to students on the basis of their financial need. The proposals of the Carnegie Commission (1968, 1970), the "Rivlin Report" (U.S. Department of Health, Education, and Welfare, 1968), Bowen (1968, 1969), the 1970 and 1971 proposals of the Nixon Administration, Hansen & Weisbrod (1971), and others (Kerr, 1968, 1969; Rivlin & Weiss, 1969; Bolton, 1968) all have as at least one aspect of their proposals for financing higher education a financial-need based student aid program. Yet seldom do any of these proposals deal with the question of how student financial need should be evaluated, what should be considered, and what, in fact, is the basis for financial need.

It is the purpose of this paper, therefore, to examine the concept of student financial need. After reviewing the history and development of need-based financial aid and the evaluation of student financial need, the concept of need analysis will be examined in terms of the variables considered and the models used to assess financial need. Finally, the paper will explore present problems in need analysis pointing to the implications of alternative conceptions to students and parents, institutions of higher education, and funding agencies.

31-506 O - 74 - 21

BEST COPY AVAILABLE

The origin of student financial aid was traced by Rudolph to the earliest forms of American higher education (1965):

> From the beginning the American college was cloaked with public purpose . . . The college was expected to give more than it received—not more than it received from the society it served, but more than it received from the particular young men who were being prepared to do society's work [p. 177].

Hence, by charging students less, in the form of tuition and fees, than it cost to educate them, financial aid has historically been granted to all students. Even in the beginning, however, the need for financial aid was implicitly recognized as a deterrent to college matriculation, and, as a consequence, special consideration was provided to selected poor students by waiving all their tuition (Rudolph, 1965; Brubacher & Rudy, 1958). The rationale for waiving tuition for poor students, however, derived from an attempt to counteract claims that college was only for the rich rather than from any systematic attempt to eliminate the financial barriers to college attendance (Rudolph, 1965; Nash, 1968). Indeed, financial aid to students has served a wide variety of purposes over the years, from rewarding intelligence, academic performance, service to the country, physical appearance and beauty, and athletic prowess to attracting students to critical skill areas, from different geographic areas, and to military service (West, 1963, pp. 75-81). Although financial need was implicitly considered in such programs as the part-time jobs provided by the Federal Emergency Relief Administration and the National Youth Administration during the depression of the 1930s and although many of the students who benefited from college scholarships, the GI Bills of the two World Wars, and other aid programs would probably not have been able to attend college without this assistance (Rivlin, 1961, pp. 63-70), the systematic consideration of student financial need did not evolve until the 1950s. It was only during the fifties that the concept of financial need was defined, formalized, and evaluated as a criterion for receiving financial aid.

The development began in the Northeast through a loose consortium of private colleges that desired, through cooperative agreement, to voluntarily limit the amount of financial aid that would be used to recruit academically talented students to the campus. To do this they developed a procedure, later called need analysis, that would enable them to determine a reasonable contribution from the student and his family and limiting the scholarship offered to the student to the amount of his financial need, i.e., the difference between the family contribution and the cost of attending an institution. By voluntarily using the same need analysis procedure, colleges were able to minimize financial competition as a means to attract students to their campus. Although previous to this individual colleges were probably implicitly if not explicitly evaluating the financial need of applicants, this represents the first intercollege use of a systematic financial need analysis procedure.

But the transition to need-based student aid did not come easy. For years colleges and students were accustomed to scholarships being a reward for accomplishment. It mattered not whether the student was poor or rich, the scholarship was awarded for what he had accomplished and as an incentive to even greater accomplishment. Witness, for example, the opinion of the American Federation of Teachers (West, 1956):

> The American Federation of Teachers is opposed to any means test in selecting qualified youth for higher education. Such a test violates fundamental democratic principles and is educationally unsound. If a student of ample means is awarded a scholarship he may return the amount he received as a gift. But the selection of men and women of ability for scholarship grants should be based solely on their capacity to profit themselves and their fellow men through further study and should not involve any consideration of their financial status [p. 122].

The problem then as today, however, is that income and measures of ability are highly correlated so that financial aid rewarded without regard to financial need resulted in a concentration of aid funds among students from higher income families

 BEST COPY AVAILABLE

(West, 1963, pp. 53-62), and tended to perpetuate the income inequalities existing in the society (Denison, 1970).

Two developments combined to increase the use of financial need as a primary criterion for awarding aid to students: (1) the introduction, by the College Entrance Examination Board, of the College Scholarship Service; and (2) the evolving social acceptance, as manifested in federal student aid programs, of the desirability of universal post-secondary education and equality of educational opportunity. The College Scholarship Service (CSS) was formed in 1954 to formalize, centralize the administration, and broaden the use of need analysis procedures that were being used co-operatively by a relatively few colleges. CSS actively encouraged the use of need analysis in awarding financial aid, and even though the use of CSS was voluntary, membership in CSS increased from approximately 90 colleges and universities in 1954 to approximately 950 by 1968[1] (West, 1956; College Entrance Examination Board, 1969). In 1961 the participants in CSS adopted a statement of "Financial Aid Principles" which, among other things, specified that "the primary purpose of a college's financial aid program should be to provide financial assistance to students who, without such aid, would be unable to attend college," and "that the amount of aid offered a student by a college and by other sources should not exceed the amount he needs" (College Entrance Examination Board, 1970, p. I-3).

Although CSS did much to encourage the distribution of financial aid on the basis of student financial need, the growth of federal student aid programs was also an important factor. The National Defense Student Loan Program (NDSL) passed in 1958 as part of the National Defense Education Act required that participating institutions (U.S. Office of Education, 1968b)

> shall grant loans only to students who are in need of the loan to pursue a course of study at the institution; and that such a determination shall include consideration of: (1) the income, assets, and resources of the applicant; (2) the income, assets, and resources of the applicant's family; and (3) the costs reasonably necessary for the student's attendance at the institution.

The use of financial need analysis was given further impetus in 1965 with the passage of the Higher Education Act and its two student aid programs: the Educational Opportunity Grants Program (EOG) and the College Work-Study Program (CWS). The guidelines for both of these programs, when contrasted with the rather general requirements for need analysis for the NDSL Program, required a more rigorous procedure for determining financial need. In a booklet published by the U.S. Office of Education (U.S. Office of Education, 1968a), it was pointed out that

> even though the academic qualifications of students selected to receive funds under the federal programs are not rigorous, the financial need qualifications definitely are. Successful administration of these programs by colleges, particularly the Educational Opportunity Grants Program, will require the college to identify young men and women of exceptional financial need, to determine the amount of assistance they need to continue their education beyond high school, and to offer a package of financial assistance adequate to meet each student's needs [p. 2].

The move toward standardized need analysis was also encouraged by the determination of financial need which was required for the EOG Program. Both the NDSL and, eventually, the CWS Programs[2] based student eligibility on a concept of "relative financial need." Financial need for the same person varied from one institution to another in that it was equal to the difference between the family contribution and the cost of attending an institution. For the EOG Program, however, student eligibility was determined solely on the basis of the contribution expected from the family without regard to the cost of the institution. Referred to as "absolute financial need," the guidelines for this program required the institution to make a specific determination of the dollar contribution that would be expected from the family because the size of the award—varying from $200 to $1,000—for which a student was eligible was a direct function of the family contribution.

---

[1] Membership in CSS costs $100 per year and many colleges use CSS without being members. It was estimated that in 1968 CSS was used as the primary need analysis method at 76% of the private and 36% of the public institutions, or at a total of approximately 1,100 institutions (Orwig, 1970).

[2] In the first year of this program, student eligibility was based on "absolute financial need." But when the program was transferred from the Office of Economic Opportunity to the Office of Education in 1965, eligibility was broadened and based on a student's financial need relative to the institution he chose to attend (Nash, 1968).

BEST COPY AVAILABLE

Recognizing that many institutions that desired to participate in the EOG and CWS Programs were not using a standardized procedure to evaluate the financial need of their aid applicants, the Office of Education authorized two simple procedures that institutions could use for financial need analysis: the Alternate Income Method and the Income Tax Method (U.S. Office of Education, 1968a). The Alternate Income Method consisted of a table that showed the contribution that could be provided by different sized families at different income levels. The Income Tax Method based expected family contribution on the amount of federal income tax paid by the family. This latter procedure derived from a study by Crawford who noted the similarity in taxes paid and the contribution expected by CSS from families in the middle-income range and suggested that, with appropriate adjustments for low- and high-income families, the income tax paid might be used as a base to reflect contribution expected from the family by CSS (Crawford, 1962).[3] Although both the Alternate Income and Income Tax Methods enabled a simpler determination of financial need, a desire that ranked high among financial aid officers (Orwig, 1970), both of them required that the actual need analysis be performed by the financial aid officer himself and neither of them considered unusual circumstances that affect the individual family unit or the economy, such as the number of children in the family, extraordinary expenses faced by the family, changes in the cost of living, changes in the federal income tax, etc.

With the introduction of federal programs for student aid that were based in part on financial need, many publicly supported colleges and universities that had previously possessed insufficient institutional funds for student aid began to establish financial aid offices and to develop college programs. These publicly supported institutions with low tuition and modest college costs had traditionally served the less affluent sector of college youth. To help them equitably distribute their federal aid funds, these colleges and universities desired more than a centralized service. To assess need they wanted an instrument that was reliable for their applicants yet sufficiently simple for use by students from low-income families so that the instrument itself would not pose a barrier to student financial aid and hence educational opportunity. In the mid-1960s several colleges and universities prevailed upon The American College Testing Program (ACT) to develop such a service, and in 1967 ACT introduced a centralized student need analysis service which institutions could use to analyze the financial need of their aid applicants. Although somewhat different in approach than CSS, the ACT system was similar in that it processed and computed the financial need of individual students who were applying for aid and sent a need analysis report to the institutions designated by the student. A major purpose in the introduction of the ACT system was to accommodate the desire of aid officers for a simplified need analysis system that, unlike the Alternate Income and Income Tax Methods, systematically considered the unusual circumstances of individual families, freed the aid officer from the necessity of computing financial need, and was based on a conceptual framework and actual data that reflected the abilities of families to pay for college rather than the vagaries of the Federal Income Tax System (The American College Testing Program, 1970a). A major thrust of the ACT system has been to simplify the need analysis process (Orwig & Jones, 1970), and by 1970 ACT was used as the primary need analysis system at over 400 institutions and was accepted by more than 1,800.

It was estimated that in 1968 a standardized need analysis procedure (i.e., either ACT, CSS, the Alternate Income Method, or the Income Tax Method) was used to distribute financial aid funds at more than 1,600 institutions of higher education and that an additional 240 institutions evaluated student financial need with procedures unique to their own institution when making aid awards (Orwig, 1970). Presumably this total has increased so that it is probable that financial need is today a primary criterion for financial aid at the vast preponderance of colleges and universities in this country. In addition, 19 states award aid to students based on their financial need (Boyd, 1969). This is not to imply, however, that all aid to students is based on financial need because, as

[3]Although for a few years the National Merit Scholarship Corporation used the adjusted income tax system suggested by Crawford (West, 1963, p. 115), the qualifications and adjustments to the federal income tax suggested by Crawford were dropped in the Income Tax Method authorized by the Office of Education with the result that the contribution expected from the same family differed considerably under the Alternate Income and Income Tax Methods (Orwig, 1970, pp. 1-13).

BEST COPY AVAILABLE

Boyd has pointed out, there is a whole range of aid programs that provides assistance to certain categories of students, such as veterans, children of disabled parents, dental students, medical students, widows and children of deceased or disabled veterans, etc., without systematically evaluating financial need (Boyd, 1969, p. 4). Rather, it is to suggest that most aid granted to students through institutions of higher education or state scholarship programs is based on the demonstrated financial need of the student and his family.

How Is Financial Need Determined?

At the most basic level financial need analysis consists of collecting the appropriate income, asset, and background information from the student and his family, determining the resources required to support the family, and from the remaining available income and assets determining what amount or proportion can be provided to meet the costs of higher education. Although each of these steps can be discussed separately, they are obviously interrelated. In order to analyze a family's financial situation, it is necessary to know what information must be collected to make the analysis. On the other hand, however, if the instrument used to collect the financial information does not result in comparable information reported by each family, efforts to provide a standardized financial need analysis for each family will be subverted. This section of the report, therefore, examines the issues involved in the collection of financial information from the family and the analysis of that information after it is collected.

Collecting Financial Information

Both income and asset information are collected from parents to determine the resources they have to support the family and the monetary contribution they can make to the college expenses of their children. Yet both of these categories of financial data pose unique problems to their systematic and standardized collection from parents and students. Income can mean many things. It can be income before taxes, income after taxes, income before business and/or farm production expenses; it can be taxable income or nontaxable income; it can be an estimate of income for the current year or the next year; or it can be reported as income for the last tax year. Similarly, assets are subject to ambiguity in interpretation resulting in problems in reporting. Ferber (1966) points out, for example, that "definitions of savings, and of saving, vary in scope and complexity. No single definition is adequate for all purposes [p. 1]." Savings might include both checking and savings accounts; it might include only savings accounts; it might include government bonds; and some definitions of savings would include investments in stocks and bonds. The problem, then, is to use concepts of income and asset categories that are easily and generally understood, that have a common definition, and that are likely, as a consequence, to yield comparable information from the reports of different family units.

Although the techniques used to collect income information vary considerably—with both actual and estimated income collected and analyzed, both actual and estimated income collected and only estimated income analyzed, actual and estimated income collected and only actual income analyzed, and only actual income information collected and analyzed—information on the validity and reliability of income reported for student financial need analysis is very limited. The evidence which exists suggests that the most reliable source of income information is the income the family

BEST COPY AVAILABLE

earned during the full tax year that is most recent to the time the student's financial need will be assessed. The Illinois State Scholarship Commission (ISSC, 1969), for example, compared the income parents reported to them with the income that the same parents indicated on their federal income tax return and found that fewer than 5% of the cases in the sample (N = 890) had reported income information to the ISSC that might be considered suspicious. A test-retest investigation of the reliability of financial information reported for financial need analysis yielded reliability coefficients for adjusted gross income (i.e., the item used to collect taxable income for the 1969 federal income tax return) of .94 in an identical form study (N = 200) and .96 in a parallel form study (N = 300). Because in the same studies the reliability coefficients for other income (i.e., nontaxable income) were .83 and .70, respectively, it would appear that the use of the most recent tax year income provides a highly reliable source of income information (The American College Testing Program, 1970b, pp. 4-12).

The use of income information from the most recent tax year in financial need analysis is not without its problems, however (U.S. Office of Education, 1968a, p. 7). Because a student typically applies for financial aid in the academic year previous to the time he will use the aid and because an academic year encompasses part of 2 different tax years, the income information from the most recent tax year is usually 1 and sometimes 2 years old at the time the student will be using his financial aid. For example, a student who in January 1970 applied for aid for the academic year beginning in September 1970 would report income earned in 1969 (the most recent tax year). Had he applied in November or December of 1969, he would report 1968 income which, of course, would be 2 years old at the time the student was using his financial aid. For this reason, estimated income was for many years considered the most appropriate source of income information.

But the problems with using estimated income are just the reverse of those associated with the use of the most recent tax years. Depending upon when the application for aid is filed, the student and his parents are required to project what their income will be 1 to 2 years in the future, a process that is difficult for the most sophisticated economist and one which can be affected by many unknown variables. Furthermore, an investigation of estimated income reported by the parents of ACT financial aid applicants revealed a systematic bias, with parents below $5,000 income estimating an increase in income, parents above $5,000 estimating a decline in income, and, in addition, as income increased above $5,000 the average decline in estimated income increased (Orwig & Jones, 1970, pp. 10-14). Hence, it was concluded that the use of estimated income operated to the disadvantage of low-income families and, as a consequence, ACT discontinued collecting estimated income, requesting instead that parents communicate directly with financial aid officers to explain any anticipated change in income or expenses during the year for which the application for financial aid is made (The American College Testing Program, 1970a, pp. V-1).

Nevertheless, many problems in collecting reliable financial information remain unsolved. The relatively long lead time between application, awarding financial aid, and matriculating to college render the process more difficult than it might be if the three steps occurred more or less simultaneously and if they coincided with the calendar year that is used for the federal income tax. Even though estimated income is unreliable, it is not clear that 1 tax year is adequate. Perhaps 2 or 3 tax years should be collected and only the most recent analyzed. Perhaps they should be averaged together and analyzed as one. The problem with this approach, however, is that to collect a lengthy history of financial information increases data processing costs, complicates the reporting procedure, and assumes that parents have the financial records that would enable them to provide the historical information, an assumption which, if incorrect, would tend to reduce reliability. Similarly, the very limited literature on the collection of asset information suggests that the nature of the item used to collect the desired asset information can have dramatic impact on the reliability of the information reported (The American College Testing Program, 1970b, p. 8). Perhaps as research continues, it will eventually be possible to identify a specific set of items for collecting financial information that will each have a stable and predictable reliability. With possible exception of "Adjusted Gross Income" (or its equivalent) and "Federal Income Tax Paid," this does not yet appear possible.

Analyzing the Family's Financial Situation

Based on the information that is collected from the family, the next step is to analyze this information to determine the amount the family (parents and applicant) can provide for college expenses. Simply stated, this process consists of two steps: first, determining the income required to maintain the family at a given standard of living; and second, from any remaining income and from the assets of the family, determining the amount of money the family can be expected to provide for the college expenses of its child.[4] Fundamental to this process is the development of objective criteria, formalized as a need analysis model, that can be applied to all applicants in a standardized manner. These criteria are derived from economic data that reflect the living standards that obtain in the society, and the variables considered in the need analysis model enable each applicant and family to be evaluated against the specified criteria. A result of this procedure, therefore, is that the financial situation of a family is accepted as it is, without regard to how it got that way. Hence, qualitative differences in the spending patterns of families are relevant only insofar as they will affect the ability of a family to provide the contribution expected by the need analysis system. For example, a family that is consuming at a rate above that allowed for in the need analysis model will find it more difficult to provide the contribution expected by the need analysis system than those consuming at a lower rate.

Typically, the criteria in the need analysis model used to evaluate the income of the families of aid applicants are derived from data published by the Bureau of Labor Statistics (BLS) in the U.S. Department of Labor. BLS developed and periodically updates (U.S. Department of Agriculture, June 1970) three budgets that indicate the resources required for an urban family of four persons to support itself at a low, moderate, and high standard of living (BLS, 1968b). All three of the budgets assume the maintenance of health and social well-being of family members, and participation in community activities. They differ, however, by varying the manner of living and the quantity and quality of various goods. The lower standard, for example, presumes that the family lives in rental housing without air conditioning, performs more services for itself, and makes greater use of free recreation facilities in the community. The lower standard requires 34% of family consumption for a nutritionally adequate diet as contrasted with 29% at the moderate level. Compared with the higher and moderate level, the lower budget provides for larger quantities of foods that have a high nutritional return for cost—potatoes, dry beans and peas, and flour and cereal—and smaller quantities of meat, poultry, and fruits and vegetables other than potatoes. Housing in the lower budget is assumed at the lower third of contract rents with the incidence of home ownership increasing in the higher budgets. The BLS low standard is above the poverty level (Orshansky, 1965), yet at a low standard when compared to other U.S. families.

Schedules published by BLS (1968a) make it possible to adjust these budgets to reflect the families of aid applicants and to define a procedure for making adjustments for different size families (The American College Testing Program, 1970b; Bowman, 1970; Bowman & Weiss, 1969). By combining these adjusted budgets with data adopted from a variety of other sources (U.S. Department of Labor, 1964; U.S. Department of Agriculture, 1962, 1965, 1967, 1970), it is possible to develop standards or norms for evaluating the income of the families of financial aid applicants.

In addition to income, the assets of the family are also considered in determining financial need. Although ACT and CSS employ different procedures to evaluate assets—with ACT taxing assets directly (The American College Testing Program, 1968, 1970a) and CSS considering assets as an income supplement (Bowman & Weiss, 1968, 1970; College Entrance Examination Board, 1970)—both provide allowances against assets in recognition of the many purposes assets serve. Thus, debts, one-half the net value of the farm or business, a retirement allowance, and an allowance for emergencies are all deducted from assets before any remaining assets are taxed for an educational contribution.

The consideration of assets in need analysis is occasionally questioned because unlike income certain assets of the family, such as real estate or

[4] Assets may be treated as an income supplement and then taxed (Bowman & Weiss, 1968, 1970) or they may be taxed directly (The American College Testing Program, 1968, 1970a).

BEST COPY AVAILABLE

home equity, do not produce cash. Thus, it is argued that they do not contribute to the ability of the family to pay for college. Few would argue, however, that assets do not contribute to the wealth of the family and that given equal income for similar families the family with substantial assets is financially better off than the family with no assets. Hence, if aid is to be equitably distributed to students with the greatest financial need, the need analysis model must consider the families' entire financial situation which includes both income and assets.

In addition to the standard or typical family situations that are analyzed, there is a variety of atypical situations to which the need analysis model should be sensitive. Examples include the additional living expenses that accrue when there are two working parents or when there is only one parent and small children, Social Security payments made to the child but used to support the family, students who are not supported by their parents, debts that exceed assets, the evaluation of income from farmers and self-employed businessmen, families with more than one child in college, and high concentration of family assets in the name of the student. Other examples would include unusual circumstances that might occur to the family in a given year that would affect their ability to pay for college, such as extraordinary medical expenses, severe damage to the house or business, theft of personal property, etc. Each of these situations, and others like it, represent extraordinary circumstances that are not reflected in the BLS budgets; yet they affect the ability of the family to make an educational contribution. Hence, to accurately determine financial need in these situations, special procedures must be defined and incorporated into the need analysis model so that the appropriate adjustments can be made.

How Much Can Parents Contribute?

The interplay of available student aid funds and financial need analysis has been a source of confusion and problems throughout the history of need analysis. The problems arise when aid funds are insufficient to meet the need of students attending higher education, and they become more severe as the gap between available aid and financial need increases. A simple example will illustrate this point. Assume two students with need of $1,000 and $500 to attend a low-cost public institution and available aid of $500. Should all the aid be granted to the student with the greatest need? Should it be divided equally between the two? If $500 will not enable the student with $1,000 need to attend college, should the full amount be awarded to the student with the least need? This example is easily rendered more complex by introducing special aid programs with unique objectives, consideration of more expensive private colleges, or spreading it over 3 years with a drastic increase in the cost of living, a corresponding adjustment in financial need and no increase in the available aid.

Questioning the concept of relative financial need, with need varying with the cost of attending an institution, West (1963) pointed out that

> need analysis may spread the funds among those in the higher socioeconomic groups who want to attend more prestigious institutions. It is ironic to discover, comparing the financial need of students from high and low socioeconomic classes, that students of high socioeconomic status frequently have greater "financial need" than students of low socioeconomic status, because they select more expensive colleges. As a corollary, it is possible that the flow of talented students to prestigious institutions widens the differences among institutions (p. 90).

Bowman points out that prior to 1964 CSS related its need analysis system to the availability

BEST COPY AVAILABLE

of funds so that when changes were made in the need analysis system, they were made in a manner that would not increase the aggregate financial need of CSS filers. Because there was no thought of a large-scale increase in financial aid resources, the problem was to divide existing resources among applicants in the fairest way possible. "The result was that the pie remained the same but was sliced in a different manner" (Bowman, 1970, p. 4). More recently, however, CSS has taken a different posture on this problem. Pointing to the two dichotomous roles that can be played by a need analysis system—as an objective measure of ability to pay for higher education or as a rationing device for available financial aid funds—Bowman (1970) indicates that

> since 1964, CSS has attempted to restate the need analysis system and base the levels of expectation in relation to current economic concepts and the best available evidence on parental ability to pay for higher education [p. 10].

In a similar manner the ACT need analysis system has been adjusted to reflect changes in the ability of families to pay for higher education without regard to increases or decreases in the availability of student aid funds (The American College Testing Program, 1969, pp. 10-16; 1970b, pp. 13-30).

Even though need analysis systems are based on broad economic criteria that reflect the expenses for maintaining the family, it is possible that the systems will not produce equivalent amounts of expected contribution (Orwig, 1970). Similarly, when aggregate aid is less than aggregate need or when as a result of an adjustment in a need analysis system aggregate need changes but aggregate aid remains the same, the distribution of aid to colleges and students is affected (Doermann, 1970). The former problem arises from lack of consensus about the living standard to be applied in evaluating financial need. One need analysis system might use the BLS low budget to evaluate families, and another system might use both the low and moderate BLS budgets to evaluate families. A probable result of these different approaches is that the former system would probably expect a greater contribution from higher-income families than would the latter. Other things being equal, the low budget based system would tend to channel more funds to lower-income students than would the system based on the moderate budget and, on the other hand, the low budget system would tend to provide less aid to students attending the more expensive private institutions.

Which system would be correct or more accurately reflect the ability of families to pay for college? The answer to this question is not clear because it depends upon the answer to a more fundamental question: To what extent should families be asked to sacrifice to pay for college? Should families be allowed expenses that would enable them to live at the poverty level, at a low standard of living, at a moderate standard of living, or at a high standard of living? Should families be evaluated in terms of their own living standard with allowed expenses increasing as the standard of living increases? Although fundamental to the determination of individual financial need and the amount of funds required to meet aggregate financial need in a need-based aid program, questions such as these have not been asked and consequently have not been answered. A system based on the low BLS budget implicitly assumes a greater sacrifice than would one based on the moderate budget or one based on varying budgets. Proceeding from different assumptions, the two systems would tend to end up with different expectations from the parents, and they would tend to allocate different proportions of funds to different socioeconomic populations.

If financial aid programs are to effectively serve the purposes they are established to accomplish, it is necessary to recognize the interplay between financial need analysis and the aid program. As a minimum this requires an understanding that the determination of financial need will be influenced by the degree of sacrifice that is expected of parents as they help to pay for the college expenses of their children. If in evaluating financial need, allowance is made to maintain the family at a low standard, individual and aggregate financial need will be different than if allowance is made to maintain the family at a moderate or high standard of living. Second, it must be recognized that if aid funds are inadequate to meet financial need, it is possible that a need-based student aid program designed to equalize educational opportunity will not accomplish its objectives or that it may have corollary effects. With absolute financial need as

 BEST COPY AVAILABLE

the criterion, less aid and perhaps fewer students will go to private colleges. Relative need, on the other hand, may provide more aid to private institutions but to fewer students assuming that funds are limited. Finally, just as changing economic conditions will affect the purchasing power of a dollar, it will also affect the ability of the family to pay for college. The financial need of a family with $6,000 income today is greater than the financial need of the same family with the same income 5 years ago. It follows, therefore, that state and federal aid programs would recognize the dynamic relationship that exists between a changing economy and the need for student aid funds, and that they would be increased accordingly. Sadly, this has not been the case, and the result is the financial crisis facing students and institutions of higher education.

BEST COPY AVAILABLE

1973 Revisions in the Act Student Need Analysis Service

Research and Development Division, The American College Testing Program, November 1973

The purpose of the 1973 Revisions paper is to explain the changes made in ACT's need analysis system for the 1973–74 processing year.[1] In the spirit of previous annual reports since 1969,[2] this report provides a rationale for these changes in order to stimulate understanding of ACT's financial need analysis models. This year's changes are outlined below.

A. A. REVISED ADJUSTED AVAILABLE INCOME TAXATION RATE STRUCTURE IN THE DEPENDENT MODEL

1. A new taxation rate structure will be used in 1973–74. The new structure exhibits decreased contributions and increased progressivity at low levels of Adjusted Available Income.
2. ACT will discontinue the policy of stating Parental Contributions in negative dollar amounts. When Adjusted Available Income is $0 or less, ACT's Parental Contribution will be $0. In addition, ACT will provide a new method for ranking families with Negative Adjusted Available Income.

B. A MODIFIED AND UPDATED FAMILY SIZE ALLOWANCE SCHEDULE

1. ACT's Family Size Allowance Schedule in 1973–74 will be based on family member months. This makes the FSA Schedule more flexible and, hence, more responsive to the variety of circumstances confronting postsecondary students.
2. The modified Schedule will reflect changes in the general level of prices through February 1973.

C. A MORE SOPHISTICATED COMPUTATION OF ASSISTANCE NEEDED IN THE DEPENDENT MODEL

1. In the computation of Assistance Needed on the Comprehensive Financial Aid Report (CFAR), ACT will subtract from the budget a Total Family Contribution figure which reflects the "applicant maintenance" assumption made by the aid administrator in constructing the budget. Thus, ACT's assessment of need will be responsive to differences in the length of educational programs.

D. AN IMPROVEMENT IN THE REPORTING OF PARENTAL CONTRIBUTION FOR DEPENDENT APPLICANTS

1. ACT will produce 13 Parental Contribution figures on each dependent applicant's 1973–74 Comprehensive Financial Aid Report (CFAR). Each figure will reflect a different assumption concerning the length of time the applicant lives at home with parents. This will reduce significantly the number of hand computations performed by financial aid administrators.

E. AN EXPANDED AND REVISED HOUSEKEEPING ALLOWANCE SCHEDULE

1. ACT will employ a new Housekeeping Allowance in both the two-working parents and single-parent situations.

F. AN UPDATED RETIREMENT ALLOWANCE SCHEDULE

1. ACT has updated its Retirement Allowance for inflation and changes in Social Security payments to retired couples and individuals.

G. A NEW SELF-SUPPORTING STUDENT MODEL

1. A new model to assess the need of self-supporting students will be used. The model incorporates a Family Size Allowance against Estimated Income and an Asset Taxation Rate Structure dependent on age.

ACT's Adjusted Available Income Taxation Rate Structure for 1973-74

The four principles on which the taxation of parents' Adjusted Available

---

[1] The changes discussed in this report will be implemented on November 1, 1973.

[2] Copies of earlier reports can be obtained by writing to Research and Development, The American College Testing Program, P.O. Box 168, Iowa City, Iowa 52240.

BEST COPY AVAILABLE

Income in the ACT system is based have been stated before (The American College Testing Program, 1972, p. 18).

1. All families should be evaluated against the same standard in order to achieve horizontal equity.

2. A primary objective of the Family unit, after providing for the basic maintenance of all members of the unit, is to help provide for the education of its children.

3. As the income of the family unit exceeds the maintenance level for the family, a proportion of remaining income should be expected as a contribution for the education of its children.

4. The educational contribution expected from the family should be progressively related to the income that remains after the maintenance of the family is provided for. That is, as income increases above the basic family maintentnce level, the expected educational contribution should increase at an increasing rate in order to work toward an equal marginal sacrifice expected of all families and thereby approximate vertical equity.

Last year, the desire to produce common results among national need analysis systems caused ACT to change its Adjusted Available Income Taxation Rate Schedule. An important characteristic of the modified schedule was the expectation of $150 at an Adjusted Available Income of $0. Given the methodology used to construct ACT's Family Size Allowance and Retirement Allowance, the expectation of $150 from parents with zero Adjusted Available Income seemed inappropriate. However, in the interest of comparability among alternative need analysis systems, ACT made the change.

It now appears that the expectation of $150 at an adjusted Available Income of $0 did little to insure comparable treatment of families with low levels of Adjusted Available Income and, more importantly, worked a hardship upon such families. Therefore, ACT has changed its taxation rate structure for the 1973–74 processing year in order to eliminate this problem. Since comparability among alternative national need analysis systems is an important consideration, ACT has restricted the changes to families with low levels of Adjusted Available Income.

A comparison of the 1972–73 rate schedule and the new 1973–74 rate schedule is presented in Table 1. Examination of the dollar amounts at each step in the table reveals that the two schedules are virtually the same for Adjusted Available Incomes in excess of $3,000. Below $3,000 the marginal rates have been increased to offset the removal of the $150 while maintaining progressivity in the overall rate structure. ACT believes that the new schedule is consitsent with the twin goals of comparability among national need analysis systems and the equitable treatment of families of financial aid applicants.

TABLE 1.—COMPARISON OF RATE STRUCTURES

AAI	1972-73 taxation rates	1973-74 taxation rates
$0 to $1,000	$150+30 percent over $0	35 percent.
$1,001 to $2,000	$450+31 percent over $1,000	$350+36 percent over $1,000.
$2,001 to $3,000	$760+33 percent over $2,000	$710+37 percent over $2,000.
$3,001 to $4,000	$1,090+36 percent over $3,000	$1,080+38 percent over $3,000.
$4,001 to $5,000	$1,450+40 percent over $4,000	$1,460+39 percent over $4,000.
$5,001 to $6,000	$1,850+45 percent over $5,000	$1,850+43 percent over $5,000.
$6,001 to $7,000	$2,300+45 percent over $6,000	$2,280+47 percent over $6,000.
$7,001 to $8,000	$2,750+51 percent over $7,000	$2,750+51 percent over $7,000.
$8,001 and above	$3,260+57 percent over $8,000	$3,260+57 percent over $8,000.

The schedule above presents the expected parental contribution in cases where Adjusted Available Income is positive. However, when families are living below the BLS Low Standard, ACT's analysis produces a negative Adjusted Available Income. Last year, ACT provided a negative parental contribution figure in dollars in all such cases. Although the concept of a negative contribution has merit, controversy exists concerning its derivation and use. Differences in competing constructs and the variety of ways in which negative dollar amounts might be used raise the possibility of inequity in the treatment of aid applicants and their families. Therefore, ACT will refrain from providing negative parental contributions in dollar amounts until common agreement is reached on how to derive and use such a figure. Instead, a Negative Adjusted Available Income will produce a zero parental contribution in 1973–74.

Since it may become necessary for the aid administrator to rank applicants with zero parental contribution, ACT will provide an index for doing so. The new

 BEST COPY AVAILABLE

index is simple, flexible, and easily interpreted. ACT will divide Adjusted Available Income when negative by the number of family members. This negative dollar amount will indicate the relative weakness of family financial resources. It will appear on the CFAR as the Negative AAI Per Capita, thereby providing an index by which all families with Negative Adjusted Available Income can be ranked.

A Modified and Updated Family Size Allowance Schedule

An important step in the computation of Adjusted Available Income is the subtraction of ACT's Family Size Allowance from total parental income. The FSA exempts from taxation the dollar amount necessary to provide for the basic expense of maintaining the family unit. As in previous years, the 1973–74 FSA Schedule is based on the updated BLS Low Standard Budget[3] adjusted for family size and age distribution. Unlike previous Family Size Allowance Schedules stated in terms of the number of family members, the new Schedule relates the FSA to the total number of months of maintenance required by all family members.

Table 2 illustrates the derivation of the 1973–74 FSA Schedule. Columns 1, 2, and 6 show the simple transition from the conventional measure of "family members" to the new measure of "family member months." Column 3 presents the BLS Low Standard Budgets adjusted for changes in the cost of living through February 1973. Columns 4 and 5 show the increase and the increase per month in the Consumption Base as the number of family members and family member months increases. Finally, Columns 6 and 7 present the new Family Size Allowance Schedule.

TABLE 2.—DERIVATION OF 1973-74 FAMILY SIZE ALLOWANCE SCHEDULE

Family members (1)	Family member months (2)	Updated consumption base[1] (3)	Increment (4)	Increment per month (5)	Family member months (6)	Family size allowance (7)
1	12	$2,380			12	$2,380.
			$1,440	$120	13–23	$2,380+$120 per month.
2	24	3,820			24	$3,820.
			1,440	120	25–35	$3,820+$120 per month.
3	36	5,260			36	$5,260.
			1,200	100	37–47	$5,260+$100 per month.
4	48	6,460			48	$6,460.
			1,080	90	49–59	$6,460+$90 per month.
5	60	7,540			60	$7,540.
			840	70	61–71	$7,540+$70 per month.
6	72	8,380			72	$8,380.
			720	60	73–83	$8,380+$60 per month.
7	84	9,100			84	$10,100.
			[2] 720	60	[3] 85	$10,100+$60 per month.

[1] See 1972 revisions in the ACT student need analysis service for a derivation of these BLS low standard consumption bases.
[2] Per year.
[3] And above.

The Schedule in Columns 6 and 7 shows that a family will receive an allowance in 1973–74 based on the total number of months of maintenance required by all family members. For example, suppose a six-person family reports two children in postsecondary education. The four "nonpostsecondary" family members require 48 total months of support. If each of the postsecondary students will live at home with parents for four months, the total number of family member months is 56. Using the 1973–74 FSA Schedule, the FSA for this family is $7,180. As illustrated by this example, use of the new FSA Schedule requires no arbitrary assumption concerning how long the applicant and siblings in postsecondary education will live at home with parents.

The FSA for each family in 1973–74 will be calculated using two data sources. First, the Family Financial Statement has been modified to collect the number of family member months of maintenance required by family members other than the applicant. Second, the number of months of applicant maintenance in the institutional budget will be collected on a revised Budget Questionnaire. These

[3] For a discussion of the BLS Low Standard Budget, see Bureau of Labor Statistics, 1968b.

BEST COPY AVAILABLE

two data elements will pinpoint the exact number of family member months for which an FSA should be given.

The FSA Schedule in Table 2 will be used in ACT's dependent model without modification.[4] The fact that ACT has used and continues to use an FSA based on the BLS Low Standard Budget to underpin its need analysis models should not cause the inference that ACT favors families living at a low standard rather than at a moderate standard.[5] ACT uses the BLS Low Budget as an allowance against income because this is an excellent way to identify financial circumstances which make it impossible for families to contribute to the postsecondary education of family members. ACT also uses the BLS moderate budget to determine reasonable expected contributions from families whose financial well-being is above the BLS Low Standard. When viewed in this light, it becomes clear that the FSA should be viewed as an integral part of ACT's entire financial need analysis framework, the purpose of which is to determine the level of financial assistance required by a student at a particular postsecondary educational institution.

A More Sophisticated Computation of Assistance Needed

In previous years, ACT produced one Parental Contribution (PC) figure for each dependent applicant. This PC figure was added to Student Resources to derive the Total Family Contribution figure. Since the PC figure was computed using an FSA Schedule that assumed a three-month applicant allowance, ACT's Total Family Contribution figure reflected the same assumption. In as much as the majority of institutional budgets from which the Total Family Contribution was subtracted were nine month budgets, the assumption that the applicant would live at home with parents for three months was a sensible simplifying assumption.

However, simplifying assumptions usually involve trade-offs. The trade-off in this case was a lack of precision in assessing the need of students under institutional budgets containing less than nine months of applicant maintenance. In such cases, since the FSA based on a three-month applicant allowance was too low, the Total Family Contribution was too high. Thus, the inability to match the institutional budget with the appropriate Family Contribution resulted in a modest underestimation of Assistance Needed.

In computing Assistance Needed in the 1973–74 dependent model, ACT will use a Total Family Contribution figure based on an FSA which is consistent with the applicant maitnenance assumption made by the aid administrator in constructing the budget. For example, if the budget maintains the student for eight months, the Total Family Contribution will be based on an FSA which includes a four-month applicant allowance. Thus, the computation of Assistance Needed will be responsive to differences in the length of educational programs.

An Improvement in the Reporting of Parental Contribution

ACT will report 13 different Parental Contribution figures on each dependent student's CFAR in 1973–74. Each PC figure will correspond to a different assumption concerning the length of time that the applicant will live at home with parents. Of course, one of these figures will correspond to the applicant allowance assumption made by the aid administrator in constructing the budget. This PC will be used to compute Total Family Contribution and Assistance Needed as outlined above.

The other 12 PC's will be provided for the aid administrator's convenience. The presence of alternative PC's based on different applicant maintenance assumptions will avoid hand computations in cases where use of a different budget figure is required. For example, consider the PC array for a dependent student in the following table:

TABLE 3

	Months of applicant maintenance in budget												
	0	1	2	3	4	5	6	7	8	9	10	11	12
PC	360	390	420	450	480	510	540	570	600	630	660	690	720

[4] The use of the FSA Schedule in the new self-supporting model is discussed later in this paper.

[5] Indeed, it is theoretically possible to generate an infinite number of FSA Schedules and taxation rate structures which produce identical Parental Contribution figures.

BEST COPY AVAILABLE

If the aid administrator indicates on the Budget Questionnaire that the institutional budget contains nine months of applicant maintenance, ACT will use a PC of $630 to compute the Total Family Contribution and Assistance Needed. Suppose, however, that this student applies for summer aid necessitating the use of a 12-month budget. The aid administrator need only add the PC of $720 to Student Resources to derive the appropriate Total Family Contribution with which to compute Assistance Needed.

The *ACT Handbook for Financial Aid Administrators* (1973) will provide guidance as to how the PC array on the CFAR can reduce the number of hand computations. For the majority of students the computation of Assistance Needed will not require modification. Even in these cases, however, the PC array will give the aid administrator a better feel for the relationship between ACT's contribution figure and the institutional budget.

Adjustments to the Housekeeping Allowance

ACT will use the following Housekeeping Allowance for the 1973–74 processing year:

Two working parents—50% of the lesser income or $1,500, whichever is less.

One-parent families—50% of income or $1,500, whichever is less.

This allowance is meant to adjust income for the additional employment expenses incurred by families who do not have the advantage of a non-employed spouse. The ceiling of $1,500 guarantees that such families will receive an allowance of up to approximately $30 per week to offset these expenses.

Adjustments to the Retirement Allowance

The 1973–1974 Retirement Schedule for both two-parent and one-parent families will be derived from the same formula that generated the sechedule for the two preceding years.[6] However, changes in the level of prices and changes in the average monthly Social Security disbursements to retired couples and individuals will cause the formula to generate a different Retirement Allowance Schedule. In particular, ACT has changed its estimate of the amount by which Social Security benefits fall short of providing a moderate standard of living for retired couples and individuals. The new estimates are $1,400 for retired couples and $1,100 for retired single persons. These estimates when substituted into ACT's Retirement Allowance formula produce decreased allowances for two-parent families and increased allowances for one-parent families. The impact of these changes in the Retirement Allowance on Parental Contribution for a particular family will depend on its available income, net assets, and the age of its main wage earner. However, the change in Parental Contribution resulting from the use of the new Retirement Allowance Schedule will not exceed $50 for the majority of families.

Adjustments in the Treatment of Self-Supporting Students

ACT has made two important changes in its self-supporting model. First, in addition to Federal Income Tax payments and Social Security payments, a Family Size Allowance will be substracted from Estimated Total Income to derive the contrbution from income for self-supporting students.[7] ACT's revised Family Size Allowance Schedule presented previously in this paper will be used to produce a more consistent contribution from income for self-supporting students in a variety of circumstances.

Second, ACT will use a schedule based on age to tax the Net Assets of the self-supporting student. This schedule is characterized by a simple inverse linear relationship between the age of the self-supporting student and the rate at which Net Assets are taxed for an expected contribution. The schedule presented below is based upon a careful study of the inadequacies of existing approaches to taxing the Net Assets[8] of self-supporting students.

---

[6] See *1971 Revisions in the ACT Student Need Analysis Service* for a discussion of this formula.

[7] Since Federal Income Tax deductions do not reflect, in general, the expenses faced by the single self-supporting student or a student family, ACT will not subtract a standard deduction. ACT believes that the aid administrator is in a better position to adjust the analysis for unusual expenses of self-supporting students. Guidelines for doing so will be provided in the *Handbook for Financial Aid Administrators* (1973).

[8] In addition, the Net Assets of the self-supporting student will be computed exactly as in the dependent model.

BEST COPY AVAILABLE

Net asset taxation schedule

Age:	
25 and under	30
26	29
27	28
28	27
29	26
30	25
31	24
32	23
33	22
34	21
35	20
36	19
37	18
38	17
39	16
40	15
41	14
42	13
43	12
44	11
45 and above	10

ACT believes that a reasonable rate of taxation for self-supporting students under 26 years of age is 30%. However, this rate seems too high for self-supporting students who are in the same age group as parents of dependent students. Therefore, ACT has chosen a rate of 10% for self-supporting students over 44 years of age. This is the maximum effective rate at which Net Assets are taxed in ACT's dependent model. The tax rates for intervening ages were computed by straight line interpolation.

The Contribution from Income (negative in many cases) will be added to the Contribution from Assets to derive Self-Supporting Student Resources. When computed in this manner, Self-Supporting Student Resources should be subtracted from the family's direct costs of postsecondary education (e.g., tuition, fees, and books). However, simple procedures will be developed in the *Handbook for Financial Aid Administrators* (1973) to modify this analysis when the BLS Low Budget seems inappropriate.

Thus, the computation of the financial need of self-supporting students will be as follows:

A. Self-Supporting Student Need

Direct Costs of Postsecondary Education (minus) Self-Supporting Student Resources (equals) Self-Supporting Student Need.

B. Self-supporting Student Resources

Taxable Income[1] (plus) Nontaxable Income[1] (equals) Total Income[1]

Total Income[1] (minus) Fedral Income Tax Payments[1] (minus) Social Security Payments[1] (minus) Family Size Allowance (equals) Contribution from Income (1).

Net Assets (multiplied by) Tax Rate (equals) Contribution from Assets (2).

Contribution from Income (1) (plus) Contribution from Assets (2) (equals) Self-Supporting Student Resources.

References

The American College Testing Program. *Handbook for financial aid officers.* Iowa City, Iowa: Author, 1968.

The American College Testing Program. *ACT handbook for financial aid officers.* Iowa City, Iowa: Author, 1970. (a)

The American College Testing Program. *1970 revisions in the ACT Student Need Analysis Service.* Iowa City, Iowa: Author, 1970. (b)

The American College Testing Program. *ACT handbook for financial aid officers.* Iowa City, Iowa: Author, 1971. (a)

The American College Testing Program. *1971 revisions in the ACT Student Need Analysis Service.* Iowa City, Iowa: Author, 1971. (b)

[1] Estimated.

The American College Testing Program. *Your financial aid applicants.* Iowa City, Iowa: Author, 1971. (c)

The American College Testing Program. *1972 revisions in the ACT Student Need Analysis Service.* Iowa City, Iowa: Author, 1972.

Bureau of Labor Statistics. *Revised equivalence scale for estimating equivalent incomes or budget costs by family type.* Washington, D.C.: United States Department of Labor, 1968. (a)

Bureau of Labor Statistics. *Three standards of living for an urban family of four persons.* Washington, D.C.: United States Department of Labor, 1968. (b)

Federal Reserve Bulletin. Washington, D.C.: Board of Governors of the Federal Reserve System, June 1973.

Orwig, M. D. Toward more equitable distribution of college student aid funds: Problems in assessing student financial need. *ACT Research Report No. 43.* Iowa City, Iowa: The American College Testing Program, 1971.

Orwig, M. D., & Jones, P. K. Can financial need analysis be simplified? *ACT Research Report No. 33.* Iowa City Iowa: The American College Testing Program, 1970.

Social Security Bulletin. Washington, D.C.: U.S. Department of Health, Education, and Welfare Social Security Administration, June 1973, Vol. 36(6).

Appendix

ACT Financial Aid Program Advisory Councils

The Financial Aid Program Regional Advisory Councils were constructed in each of the six ACT regions to provide advice to ACT regarding the development of new services and the refinement of existing services. Members of the regional councils serve on an annual basis and are active financial aid administrators from postsecondary institutions and other agencies engaged in awarding financial assistance to students.

The National Financial Aid Program Advisory Council is composed of one member elected by each regional council and another member appointed by ACT. The 1972 National Council met in May at the ACT National Headquarters in Iowa City, Iowa.

REGION I

Barbara Lopez, San Diego Mesa College

Russell Sawyer, Los Angeles Harbor College

REGION II

Mark Heffron, University of Colorado

Don Zielke, Kansas State University

REGION III

Clifford Baker, West Texas State University

Merle Lange, Glendale Community College

REGION IV

Barbara Bender, University of Wisconsin—Madison

Tom Butts, University of Michigan

REGION V

William Rodgers, University of Alabama

REGION VI

Dale Hyerstay, The University of Vermont

Ed Marsh, State University of New York, Canton

Also Invited:

Ronald Iverson, Vermont Student Assistance Corporation

Richard Rowe, U.S. Office of Education

Bob Kelly, Kansas Tuition Grant Program

APPENDIX C

The following are the forms completed in the process of making calculations related to six hypothetical cases using the College Scholarship Service System and the American College Testing Program System for 1973/74 and 1974/75, and the Basic Educational Opportunity Grant Program for 1973/74.

31-506 O - 74 - 22

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT — 1973-74

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

SAMPLE

NAME AND ADDRESS	SEX	DATE OF BIRTH	SOCIAL SECURITY NO.	APPLICANT'S ED. LEVEL TO	APPLICANT IS	NUMBER OF CHILDREN
CASE #1 Net Worth = $5000 1 in College						

PRIOR APPLICANT	FULL TIME OR HALF TIME	TERMS APPLIED FOR	CITIZEN	SPOUSE FULL TIME	YEAR SPOUSE GRADUATED	YES SIGNED	DATE OF SIGNING YES

TEST DATE	H.S. GRADES (ENG / MATH / SOC'S / N. SCI)	ACT STANDARD SCORES (ENG / MATH / SOC'S / N. SCI / COMP)	HIGH SCHOOL ACCOMPLISHMENTS (LEADER SHIP / MUSIC / SPEECH / ART / WRITING / SCIENCE)	SIZE OF H.S. SENIOR CLASS	OUT OF H.S. YEAR OR MORE

Student Profile

EDUCATIONAL MAJOR	DEGREE OBJECTIVE	PLANS	HIGH SCHOOL CODE

APPLICANT'S PARENTS ARE	PARENTS CHILDREN IN COLLEGE	PARENTS CHILDREN NOT IN COLLEGE	MAIN FAMILY EARNER AGE	MAIN FAMILY EARNER OCCUPATION	APPLICANT'S WITH PARENTS	PARENTS SUPPORT APPLICANT	PARENTS CLAIM APPLICANT
married	1	1	50				

Family Income

	BASE YEAR	JOINT RETURNS	ADJUSTED GROSS INCOME	FEDERAL INCOME TAX	NUMBER OF EXEMPTIONS CLAIMED	OTHER INCOME	DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS	MOTHER'S RTE EARNINGS	INCOME FROM WORK STUDY	ESTIMATED YEAR	ESTIMATED INCOME
PARENTS	1972	yes	13000	1400	4	0	0	0			
APPLICANT & SPOUSE											

Family Assets

PARENTS SAVINGS AND INVESTMENTS	MARKET VALUE OF PARENTS HOME	MORTGAGE ON PARENTS HOME	NET VALUE PARENTS FARM OR BUSINESS	PARENTS OTHER ASSETS	NET ASSETS OF APPLICANT AND SPOUSE	FAMILY DWELLING IS	PARENTS RETIREMENT SOC. SEC.	OTHER	NONE	APPLICANT A VETERAN	PRIOR GEO GRADUATE

5000

MONTHLY AMOUNT APPLICANT WILL RECEIVE FROM: SOCIAL SECURITY	WAR ORPHANS	GI BILL	WELFARE	ADC	OTHER ASSISTANCE	TOTALING $
						BETWEEN SEPT. 1973 & MAY 1974

Financial Need Analysis

MODEL Dependent Student

		Parents	
A	ANALYSIS FOR		
N	BASE YEAR ESTIMATED YEAR	1972	
A	TOTAL INCOME	13000	
S	FAMILY SIZE ALLOWANCE	5310	
S	FEDERAL INCOME TAX	1400	
S	DEDUCTIONS ALLOWANCE	1170	
O	HOUSEKEEPING ALLOWANCE	0	
F	SOCIAL SECURITY TAX	468	
N	* AVAILABLE INCOME	4652	
C	EDUCATIONAL CONTRIBUTION	1711	
O	NUMBER IN COLLEGE	1	
M	CONTRIBUTION FROM INCOME	1711	

A	PARENTS SAVINGS & INVESTMENTS		
N	PARENTS HOME EQUITY		
A	[illegible]		
S	PARENTS OTHER ASSETS		
S	[illegible]		
	* NET ASSETS	5000	
	RETIREMENT ALLOWANCE	15629	
	* AVAILABLE ASSETS	-10629	
A	AVAILABLE INCOME INCREMENT	- 531	
S	EXPECTATION FROM ASSETS	- 213	
	NUMBER IN COLLEGE DEPENDENT (EXPECTATION FROM ASSETS)	1	
	CONTRIBUTION FROM ASSETS	- 213	

	[illegible] INCOME	4121	
	Parents' CONTRIBUTION	1490	

MODEL RESOURCES	
SUMMER SAVINGS	
ASSETS (4 YEARS REMAINING)	
TOTAL FROM SOCIAL SECURITY, WAR ORPHANS, GI BILL, WELFARE, ADC, AND OTHER ASSISTANCE	
OTHER	
TOTAL	

BUDGET ANALYSIS		COMMUTING STUDENT	RESIDENT STUDENT
COLLEGE OR SCHOOL BUDGET			
TOTAL FAMILY CONTRIBUTION	ACT		
ASSISTANCE NEEDED IS	ACT		

* TO NEAREST $25

NOTES

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT — 1973-74

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

SAMPLE

NAME AND ADDRESS	SEX	DATE OF BIRTH	SOCIAL SECURITY NO	APPLICANT'S ED. EXHIBIT	APPLICANT IS	NUMBER OF CHILDREN
CASE #2 Net Worth = $15000 1 in College						

PRIOR APPLICANT	FULL TIME OR HALF TIME	TERMS APPLIED FOR	CITIZEN	SPOUSE FULL TIME	YEAR OF PAYS	TEST SCORED	DATE OF SIGNING FS

TEST DATE	H.S. GRADES (ENG / MATH / SOC. S / N. SC.)	ACT STANDARD SCORES (ENG / MATH / SOC. S / N. SCI / COMP)	HIGH SCHOOL ACCOMPLISHMENTS (LEADER SHIP / MUSIC / SPEECH / ART / WRITING)	SIZE OF H.S. SENIOR CLASS	OUT OF H.S. YEAR OR HOUR

Student Profile

EDUCATIONAL MAJOR	DEGREE OBJECTIVE	HOUSING PLANS	HIGH SCHOOL CODE

APPLICANT'S PARENTS ARE	PARENTS' CHILDREN IN COLLEGE	PARENTS' CHILDREN NOT IN COLLEGE	MAIN FAMILY EARNER AGE	MAIN FAMILY EARNER OCCUPATION	APPLICANT'S WITH PARENTS (1972 / 1973 / 1974)	PARENTS' SUPPORT APPLICANT (1972 / 1973 / 1974)	PARENTS' OWN APPLICANT (1972 / 1973 / 1974)
married	1	1	50				

Family Income

	BASE YEAR	JOINT RETURN?	ADJUSTED GROSS INCOME	FEDERAL INCOME TAX	NUMBER OF EXEMPTIONS CLAIMED	OTHER INCOME	DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS	MOTHER'S NET EARNINGS	INCOME FROM WORK STUDY	ESTIMATED YEAR	ESTIMATED INCOME
PARENTS	1972	yes	13000	1400	4	0	0	0			
APPLICANT & SPOUSE											

Family Assets

PARENTS' SAVINGS AND INVESTMENTS	MARKET VALUE OF PARENTS' HOME	MORTGAGE ON PARENTS' HOME	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	NET ASSETS OF APPLICANT AND SPOUSE	FAMILY DWELLING IS	PARENTS' RETIREMENT SOC. SEC.	OTHER	NONE	IS APPLICANT A VETERAN?	IS OR GRD GRADUATE?
		15000									

MONTHLY AMOUNT APPLICANT WILL RECEIVE FROM: SOCIAL SECURITY	WAR ORPHANS	GI BILL	WELFARE	A.D.C.	OTHER ASSISTANCE	TOTALING $
						BETWEEN SEPT. 1973 & MAY 1974

Financial Need Analysis

MODEL Dependent Student

ANALYSIS FOR	Parents	
BASE YEAR ESTIMATED YEAR	1972	
TOTAL INCOME	13000	
FAMILY SIZE ALLOWANCE	5310	
FEDERAL INCOME TAX	1400	
DEDUCTIONS ALLOWANCE	1170	
HOUSEKEEPING ALLOWANCE	0	
SOCIAL SECURITY TAX	468	
AVAILABLE INCOME	4652	
EDUCATIONAL CONTRIBUTION	1711	
NUMBER IN COLLEGE	1	
CONTRIBUTION FROM INCOME	1711	

ANALYSIS		
PARENTS' SAVINGS & INVESTMENTS		
PARENTS' HOME EQUITY		
SOCIAL SECURITY		
FARM OR BUSINESS		
PARENTS' OTHER ASSETS		
[illegible]		
NET ASSETS	15000	
RETIREMENT ALLOWANCE	15629	
AVAILABLE ASSETS	- 629	
AVAILABLE INCOME INCREMENT	- 31	
EXPECTATION FROM ASSETS	- 13	
NUMBER IN COLLEGE (REPORTING)	1	
CONTRIBUTION FROM ASSETS	- 13	

ADJUSTED AVAILABLE INCOME	4621	
TOTAL Parents' CONTRIBUTION	1690	

STUDENT RESOURCES

SUMMER SAVINGS	
ASSETS (+ YEARS REMAINING)	
TOTAL FROM SOCIAL SECURITY, WAR ORPHANS, GI BILL, WELFARE, ADC, AND OTHER ASSISTANCE	
OTHER	
TOTAL	

BUDGET ANALYSIS

		COMMUTING STUDENT	RESIDENT STUDENT
COLLEGE OR SCHOOL BUDGET			
TOTAL FAMILY CONTRIBUTION	ACT		
ASSISTANCE NEEDED	ACT		

* TO NEAREST $25

NOTES

 BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT— 1973-74

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

SAMPLE

NAME AND ADDRESS	SEX	DATE OF BIRTH	SOCIAL SECURITY NO.	APPLICANT'S EDUCATIONAL STATUS	APPLICANT IS	NUMBER OF CHILDREN
CASE #3 Net Worth = $5000 2 in College						

PRIOR APPLICANT	FULL TIME OR HALF TIME	TERMS APPLIED FOR	CITIZEN	SPOUSE FULL TIME	YEAR	DATE OF SIGNING PS

TEST DATE	H.S. GRADES (ENG / MATH / SOC. S / N. SC)	ACT STANDARD SCORES (ENG / MATH / SOC. S / N. SC / COMP)	HIGH SCHOOL ACCOMPLISHMENTS (LEADER SHIP / MUSIC / SPEECH / ART / N. ZONE / AV. AVERAGE)	SIZE OF H.S. SENIOR CLASS	OUT OF HIGH YEAR OR MORE

Student Profile

EDUCATIONAL MAJOR	DEGREE OBJECTIVE	CAR LEAVE	HOUSING PLANS	HIGH SCHOOL CODE

APPLICANT'S PARENTS ARE	PARENTS CHILDREN IN COLLEGE	NOT IN COLLEGE	MAIN FAMILY EARNER AGE	OCCUPATION	APPLICANT LIVES WITH PARENTS	PARENTS SUPPORT APPLICANT	PARENTS CLAIM APPLICANT
Married	2		50				

Family Income

	BASE YEAR	JOINT RETURNS	ADJUSTED GROSS INCOME	FEDERAL INCOME TAX	NUMBER OF EXEMPTIONS CLAIMED	OTHER INCOME	DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS	MOTHER'S 1972 EARNINGS	INCOME FROM WORK STUDY	ESTIMATED YEAR	ESTIMATED INCOME
PARENTS	1972	yes	13000	1400	4	0	0	0			
APPLICANT & SPOUSE											

Family Assets

PARENTS SAVINGS AND INVESTMENTS	MARKET VALUE OF PARENTS HOME	MORTGAGE ON PARENTS HOME	NET VALUE PARENTS FARM OR BUSINESS	PARENTS OTHER ASSETS	NET ASSETS OF APPLICANT AND SPOUSE	FAMILY DWELLING IS	PARENTS RETIREMENT SOC. SEC.	OTHER	HOME	IS APPLICANT A VETERAN	HS OR GED GRADUATE
			5000								

MONTHLY AMOUNT APPLICANT WILL RECEIVE FROM						OTHER ASSISTANCE	TOTALING $
							BETWEEN SEPT. 1973 & MAY 1974

Financial Need Analysis

MODEL Dependent Student

	Parents
ANALYSIS FOR	
BASE YEAR ESTIMATED YEAR	1972
TOTAL INCOME	13000
FAMILY SIZE ALLOWANCE	4310
FEDERAL INCOME TAX	1400
DEDUCTIONS ALLOWANCE	1170
HOUSEKEEPING ALLOWANCE	0
SOCIAL SECURITY TAX	468
AVAILABLE INCOME	5652
EDUCATIONAL CONTRIBUTION	2143
NUMBER IN COLLEGE	2
CONTRIBUTION FROM INCOME	1072

PARENTS SAVINGS & INVESTMENTS	
EXPENSE HOME EQUITY	
FEDERAL EXPENSE	
PARENTS OTHER ASSETS	
[illegible]	
NET ASSETS	5000
RETIREMENT ALLOWANCE	15009
AVAILABLE ASSETS	-10009
AVAILABLE INCOME INCREMENT	- 500
EXPLOITATION FROM ASSETS	
[illegible]	2
CONTRIBUTION FROM ASSETS	

TOTAL AVAILABLE INCOME	5152
CONTRIBUTION	950

STUDENT RESOURCES

SUMMER SAVINGS	
ASSETS (= YEARS REMAINING)	
TOTAL FROM SOCIAL SECURITY, WAR ORPHANS, GI BILL, WELFARE, ADC, AND OTHER ASSISTANCE	
OTHER	
TOTAL	

BUDGET ANALYSIS

	COMMUTING STUDENT	RESIDENT STUDENT
COLLEGE OR SCHOOL BUDGET		
TOTAL FAMILY CONTRIBUTION ACT		
ASSISTANCE NEEDED ACT		

* TO NEAREST $25

NOTES

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT — 1973-74

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

SAMPLE

NAME AND ADDRESS	SEX	DATE OF BIRTH	SOCIAL SECURITY NO.	APPLICANT'S ID. (AA, 73-74)	APPLICANT'S	NUMBER OF CHILDREN
CASE #4 Net Worth = $50,000 1 in College						

PRIOR APPLICANTS	FULL TIME OR HALF TIME?	TERMS APPLIED FOR	CITIZENS	SPOUSE FULL TIME?	YEAR OF BIRTH	HS SCHOOL	DATE OF PLANNING HS

TEST DATE	H.S. GRADES: ENG.	MATHEMATICS	SCIENCE	SOCIAL SCIENCE	ACT STANDARD SCORES: ENG.	MATH	SOC. S.	SCI.	COMP.	HIGH SCHOOL ACCOMPLISHMENTS: LEADERSHIP	MUSIC	SPEECH	ART	SIZE OF H.S. SENIOR CLASS	DATE OF H.S. YEAR OR MORE

Student Profile

EDUCATIONAL MAJOR	DEGREE OBJECTIVE	HOUSING PLANS	HIGH SCHOOL CODE

APPLICANT'S PARENTS ARE	PARENTS' CHILDREN IN COLLEGE	NOT IN COLLEGE	MAIN FAMILY EARNER: AGE	OCCUPATION	APPLICANT LIVES WITH PARENTS			PARENTS SUPPORT APPLICANT			PARENTS CLAIM APPLICANT		
Married	1	1	50										

Family Income

	BASE YEAR	JOINT RETURNS?	ADJUSTED GROSS INCOME	FEDERAL INCOME TAX	NUMBER OF EXEMPTIONS CLAIMED	OTHER INCOME	DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS	MOTHER'S 1972 EARNINGS	INCOME FROM WORK STUDY	ESTIMATED YEAR	ESTIMATED INCOME
PARENTS	1972	yes	13000	1400	4	0	0	0			
APPLICANT & SPOUSE											

Family Assets

	PARENTS' SAVINGS AND INVESTMENTS	MARKET VALUE OF PARENTS' HOME	MORTGAGE ON PARENTS' HOME	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	NET ASSETS OF APPLICANT AND SPOUSE	FAMILY DWELLING IS	PARENTS RETIREMENT: SOC. SEC.	OTHER	HOME	% APPLICANT: A. RETIREMENT	VALUE OF GRD. CANDIDATES
		10000	0	40000								

50000

MONTHLY AMOUNT APPLICANT WILL RECEIVE FROM: SOCIAL SECURITY	WAR ORPHANS	G.I. BILL	WELFARE	A.D.C.	OTHER ASSISTANCE	TOTALING $
						BETWEEN SEPT. 1973 MAY 1974

Financial Need Analysis

MODEL Dependent Student

	Parents
ANALYSIS FOR	
BASE YEAR ESTIMATED YEAR	1972
TOTAL INCOME	13000
FAMILY SIZE ALLOWANCE	5310
FEDERAL INCOME TAX	1400
DEDUCTIONS ALLOWANCE	1170
HOUSEKEEPING ALLOWANCE	0
SOCIAL SECURITY TAX	468
AVAILABLE INCOME	4652
EDUCATIONAL CONTRIBUTION	1711
NUMBER IN COLLEGE	1
CONTRIBUTION FROM INCOME	1711

PARENTS' SAVINGS & INVESTMENTS	
PARENTS' HOME EQUITY	10000
[illegible]	40000
PARENTS' OTHER ASSETS	
[illegible]	
NET ASSETS	50000
RETIREMENT ALLOWANCE	15629
AVAILABLE ASSETS	34371
AVAILABLE INCOME INCREMENT	2812
EXPECTATION FROM ASSETS	1276
NUMBER NOT INDEPENDENT [illegible]	1
CONTRIBUTION FROM ASSETS	1276

ADJUSTED AVAILABLE INCOME	7464
A. Parents' CONTRIBUTION	2980

STUDENT RESOURCES	
SUMMER SAVINGS	
ASSETS (4 YEARS REMAINING)	
TOTAL FROM SOCIAL SECURITY, WAR ORPHANS, GI BILL, WELFARE, ADC, AND OTHER ASSISTANCE	
OTHER	
TOTAL	

MODEL STUDENT		COMMUTING STUDENT	RESIDENT STUDENT
COLLEGE BUDGET			
TOTAL FAMILY CONTRIBUTION	ACT		
ADJUST. SCHOLARSHIP NEEDS *	ACT		

* TO NEAREST $25

NOTES

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT— 1973-74

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

SAMPLE

NAME AND ADDRESS

CASE #5
Net Worth = $5000
1 in College - include Grandmother

SEX	DATE OF BIRTH	SOCIAL SECURITY NO.	APPLICANT'S	APPLICANT'S	NUMBER OF CHILDREN

PRIOR COLLEGE	FULL TIME OR PART TIME?	DEGREE APPLIED FOR	CITIZEN?	SPEAKS FULL TIME	TIME ON TRACK	TIME HOMED	DATE OF BEGINNING HS

TEST DATE	H.S. GRADES					ACT STANDARD SCORES				
	ENGL	MATHEMATICS	SCIENCE	SOC. SCI.		ENGL	MATH	SOC. S.	N. SCI.	COMP

HIGH SCHOOL ACCOMPLISHMENT

CLASSES SKIP	MUSIC	DRESS	ACT	WORTHY	ATTITUDE	PROJ. SKILLS	SIZE OF H.S. SENIOR CLASS	OUT OF H.S. YEAR OF HOME

Student Profile

EDUCATIONAL MAJOR	DEGREE OBJECTIVE	HOUSING PLANS	HIGH SCHOOL CODE

APPLICANT'S PARENTS ARE	PARENTS CHILDREN IN COLLEGE	PARENTS CHILDREN NOT IN COLLEGE	MAIN FAMILY EARNER AGE	MAIN FAMILY EARNER OCCUPATION	APPLICANT'S PARENTS			PARENTS SUPPORT APPLICANT			PARENTS CLAIM APPLICANT		
					YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
Married	1	1	50										

Family Income

	BASE YEAR	JOINT RETURNS	ADJUSTED GROSS INCOME	FEDERAL INCOME TAX	NUMBER OF EXEMPTIONS CLAIMED	OTHER INCOME	DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS	MOTHER'S OTHER EARNINGS	INCOME FROM HOME STUDY	ESTIMATED YEAR	ESTIMATED INCOME
PARENTS	1972	yes	13000	1400	5	0	0	0			
APPLICANT & SPOUSE											

Family Assets

PARENTS SAVINGS AND INVESTMENTS	CURRENT VALUE OF PARENTS HOME	MORTGAGE ON PARENTS HOME	NET VALUE PARENTS FARM OR BUSINESS	PARENTS OTHER ASSETS	NET ASSETS OF APPLICANT AND SPOUSE	FAMILY DWELLING IS	PARENTS RETIREMENT SOC. SEC.	OTHER	HOME	APPLICANT'S VETERANS	HS OR GED GRADUATES
5000											

MONTHLY AMOUNT APPLICANT WILL RECEIVE FROM						TOTALING
SOCIAL SECURITY	WAR ORPHANS	G.I. BILL	MILITARY	AFDC	OTHER ASSISTANCE	$
						BETWEEN SEPT. 1974 AND MAY 1974

Financial Need Analysis

MODEL Dependent Student

	Parents
ANALYSIS FOR	
BASE YEAR-ESTIMATED YEAR	1972
TOTAL INCOME	13000
FAMILY SIZE ALLOWANCE	6420
FEDERAL INCOME TAX	1400
EXEMPTIONS ALLOWANCE	1170
HOUSEKEEPING ALLOWANCE	0
SOCIAL SECURITY TAX	468
AVAILABLE INCOME	3542
EDUCATIONAL CONTRIBUTION	1285
NUMBER IN COLLEGE	1
CONTRIBUTION FROM INCOME	1285

PARENTS SAVINGS & INVESTMENTS	
PARENTS HOME EQUITY	
[illegible]	
[illegible]	
PARENTS OTHER ASSETS	
[illegible]	
[illegible]	
NET ASSETS	5000
RETIREMENT ALLOWANCE	16312
AVAILABLE ASSETS	-11312
AVAILABLE INCOME INCREMENT	- 566
EXPECTATION FROM ASSETS	- 203
NUMBER IN COLLEGE DEPENDENT INCREMENT SELF-INDEPENDENT	1
CONTRIBUTION FROM ASSETS	- 203

ADJUSTED AVAILABLE INCOME	2976
ANNUAL CONTRIBUTION	1080

MODERATE RESOURCES

SUMMER SAVINGS	
ASSETS, A YEAR REMAINING	
TOTAL FROM SOCIAL SECURITY, WAR ORPHANS, GI BILL, MILITARY, AFDC, AND OTHER ASSISTANCE	
OTHER	
TOTAL	

BUDGET ESTIMATE

		COMMUTING STUDENT	RESIDENT STUDENT
COLLEGE OR SCHOOL BUDGET			
TOTAL FAMILY CONTRIBUTION	ACT		
ASSIST AND NEEDED	ACT		

* TO NEAREST $25

NOTES

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT — 1973-74

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

NAME AND ADDRESS

CASE #6
Net Worth = $15000
2 in College

SEX | DATE OF BIRTH | SOCIAL SECURITY NO | APPLICANT'S HS LEVEL TEST | APPLICANT ID | NUMBER OF CHILDREN

MAJOR APPLICANT | FULL TIME OR HALF TIME | TERMS APPLIED FOR | CITIZENS | SPOUSE FULL TIME | YEAR HOUSE GRADUATED | HS CLASS | DATE OF BEGINNING HS

TEST DATE | H.S. GRADES (ENG, MATHEMATICS, SCI, SOC S, FL SCI) | ACT STANDARD SCORES (ENG, MATH, SOC S, FL SCI, COMP)

HIGH SCHOOL ACCOMPLISHMENTS (LEADERSHIP, MUSIC, SPEECH, ART, WRITING, SCIENCE, ATHLETICS) | SIZE OF H S SENIOR CLASS | OUT OF HS - YEAR OR MORE

SAMPLE

Student Profile

EDUCATIONAL MAJOR | DEGREE OBJECTIVE | PLANS | HIGH SCHOOL CODE

APPLICANT'S PARENTS ARE	PARENTS' CHILDREN IN COLLEGE	PARENTS' CHILDREN NOT IN COLLEGE	MAIN FAMILY EARNER AGE	MAIN FAMILY EARNER OCCUPATION	APPLICANT WITH PARENTS			PARENTS SUPPORT APPLICANT			PARENTS CLAIM APPLICANT		
Married	2		50										

Family Income

	BASE YEAR	JOINT RETURNS	ADJUSTED GROSS INCOME	FEDERAL INCOME TAX	NUMBER OF EXEMPTIONS CLAIMED	OTHER INCOME	DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS	MONTHLY INTEREST EARNINGS	INCOME FROM WORK STUDY	ESTIMATED YEAR	ESTIMATED INCOME
PARENTS	1972	yes	13000	1400	4	0	0	0			
APPLICANT & SPOUSE											

Family Assets

PARENTS' SAVINGS AND INVESTMENTS	MARKET VALUE OF PARENTS' HOME	MORTGAGE ON PARENTS' HOME	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	NET ASSETS OF APPLICANT AND SPOUSE	FAMILY DWELLING IN	PARENTS' RETIREMENT SOC SEC	OTHER	HOME	% APPLICANT A RETIREMENT	HS OR GED GRADUATED

13000

MONTHLY AMOUNT APPLICANT WILL RECEIVE FROM: SOCIAL SECURITY | WAR ORPHANS | GI BILL | WELFARE | ADC | OTHER ASSISTANCE | TOTALING $ | BETWEEN SEPT. 1973 & SEPT. 1974

Financial Need Analysis

MODEL Dependent Student

		Parents	
A	ANALYSIS FOR		
N	BASE YEAR ESTIMATED YEAR	1972	
A	TOTAL INCOME	13000	
L	FAMILY SIZE ALLOWANCE	4310	
Y	FEDERAL INCOME TAX	1400	
S	DEDUCTIONS ALLOWANCE	1170	
I	HOUSEKEEPING ALLOWANCE	0	
S	SOCIAL SECURITY TAX	468	
O	= AVAILABLE INCOME	5652	
F	EDUCATIONAL CONTRIBUTION	2143	
N	NUMBER IN COLLEGE	2	
C	CONTRIBUTION FROM INCOME	1072	
O			
M			
E			

A	PARENTS' SAVINGS & INVESTMENTS		
N	PARENTS' HOME EQUITY		
A	NET VALUE OF PARENTS' FARM OR BUSINESS		
L	PARENTS' OTHER ASSETS		
Y	NET ASSETS OF APPLICANT AND HOUSEHOLD (SUPPORTING ONLY)		
S	= NET ASSETS	15000	
I	RETIREMENT ALLOWANCE	15009	
S	= AVAILABLE ASSETS	-9	
A	AVAILABLE INCOME INCREMENT	0	
S	EXPECTATION FROM ASSETS	0	
E	NUMBER IN COLLEGE DEPENDENT YEAR REMAINING BUT SUPPORTING	2	
T	CONTRIBUTION FROM ASSETS	0	
S			

ADJUSTED AVAILABLE INCOME	5652	
"A" Parents' CONTRIBUTION	1072	

STUDENT RESOURCES

SUMMER SAVINGS		
ASSETS (4 YEARS REMAINING)		
TOTAL FROM SOCIAL SECURITY, WAR ORPHANS, GI BILL, WELFARE, ADC, AND OTHER ASSISTANCE		
OTHER		
TOTAL		

INCOME ANALYSIS

		COMMUTING STUDENT	RESIDENT STUDENT	
COLLEGE OR SCHOOL BUDGET				
TOTAL FAMILY CONTRIBUTION	ACT			
ASSIST WHICH NEEDED *	ACT			

* TO NEAREST $25

NOTES:

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT— 1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

NAME AND ADDRESS

CASE #1
Net Worth = $5000
1 in College

SEX | DATE OF BIRTH | SOCIAL SECURITY NO. | APPLICANT'S ID (AFL-CIO) | APPLICANT IS | NUMBER OF CHILDREN

PRIOR APPLICANT | FULL TIME OR HALF TIME | TRIMESTER APPLIED FOR | CITIZEN | SPOUSE FULL TIME | YEAR SPOUSE GRADUATED | HS SCORES | DATE OF BEGINNING FYL

Student Profile

TEST DATE | H.S. GRADES (ENG, MATHEMATICS, S, H SCI) | ACT STANDARD SCORES (ENG, MATH, SOC S, N SCI, COMP)

HIGH SCHOOL ACCOMPLISHMENTS (LEADERSHIP, MUSIC, SPEECH, ART, WRITING, SCIENCE, ATHLETICS, OTHER) | SIZE OF H.S. SENIOR CLASS | OUT OF HS YEAR OF MORE

EDUCATIONAL MAJOR | DEGREE OR CERTIFICATE | HOUSING PLANS | HIGH SCHOOL CODE

SAMPLE

Family Profile

APPLICANT'S PARENTS ARE: Married | PARENTS' CHILDREN IN COLLEGE: 1 | PARENTS' CHILDREN NOT IN COLLEGE: 1 | MAIN FAMILY EARNER: AGE 50, OCCUPATION | ANY OTHER LIVES WITH PARENTS | PARENTS SUPPORT APPLICANT | PARENTS CLAIM APPLICANT

Family Income

	BASE YEAR	JOINT RETURNS	ADJUSTED GROSS INCOME	FEDERAL INCOME TAX	NUMBER OF EXEMPTIONS CLAIMED	OTHER INCOME	DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS	SOCIAL SECURITY TAXES	INCOME FROM WORK STUDY	ESTIMATED YEAR	ESTIMATED INCOME
PARENTS	1973	yes	13000	1400	4	0	0	0			
APPLICANT & SPOUSE											

Family Assets

PARENTS' SAVINGS AND INVESTMENTS	MARKET VALUE OF PARENTS' HOME	MORTGAGE ON PARENTS' HOME	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	NET ASSETS OF APPLICANT AND SPOUSE	FAMILY EMPLOYING IT	PARENTS' RETIREMENT SOC. SEC.	OTHER	HOME	IS APPLICANT A VETERAN	HS ON CAB GRADUATE
5000											

MONTHLY AMOUNT APPLICANT WILL RECEIVE FROM: SOCIAL SECURITY | WAR ORPHANS | GI BILL | WELFARE | AFDC | OTHER ASSISTANCE | TOTALING $ | RETURNED EOP 9/1/8 MAY 1974

Financial Need Analysis

MODEL **Dependent Student**

		Parents	
A	ANALYSIS FOR		
T	BASE YEAR ESTIMATED YEAR	1973	
A	TOTAL INCOME	13000	
T	FAMILY SIZE ALLOWANCE	5560	
S	FEDERAL INCOME TAX	1400	
S	DEDUCTIONS ALLOWANCE	1170	
O	HOUSEKEEPING ALLOWANCE	0	
R	SOCIAL SECURITY TAX	468	
	= AVAILABLE INCOME	4402	
N	EDUCATIONAL CONTRIBUTION	1617	
C	NUMBER IN COLLEGE	1	
O	CONTRIBUTION FROM INCOME	1617	
M			
E			

A	PARENTS' SAVINGS & INVESTMENTS		
N	PARENTS' HOME EQUITY		
A	NET VALUE OF PARENTS' FARM OR BUSINESS		
L	PARENTS' OTHER ASSETS		
Y	NET ASSETS OF APPLICANT AND SPOUSE (IF SUPPORTING ONLY)		
S	= NET ASSETS	5000	
O	RETIREMENT ALLOWANCE	14619	
F	= AVAILABLE ASSETS	- 9619	
A	AVAILABLE INCOME INCREMENT	- 481	
S	EXPECTATION FROM ASSETS	- 187	
	NUMBER IN COLLEGE DEPENDENT	1	
	CONTRIBUTION FROM ASSETS	- 187	

ADJUSTED AVAILABLE INCOME	3921	
TOTAL **Parents'** CONTRIBUTION	1430	

STUDENT RESOURCES

SUMMER SAVINGS	
ASSETS, IF YEARS REMAINING	
TOTAL FROM SOCIAL SECURITY, WAR ORPHANS, GI BILL, WELFARE, AFDC, AND OTHER ASSISTANCE	
OTHER	
TOTAL	

STUDENT NEEDS

		COMMUTING STUDENT	RESIDENT STUDENT	
COLLEGE OR SCHOOL BUDGET				
TOTAL FAMILY LOWER BUDGET	ACT			
ABOVE BASIC NEEDS ⊕	ACT			

⊕ TO NEAREST $25

NOTES

Social Security Tax would actually be $632.

Assumes 9 month College Budget; 39 Family Member Months in family size allowance.

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT— 1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

SAMPLE

NAME AND ADDRESS	SEX	DATE OF BIRTH	SOCIAL SECURITY NO	APPLICANT'S ED. LEVEL	APPLICANT IS	NUMBER OF CHILDREN
CASE #2 Net Worth = $15000 1 in College						

PRIOR APPLICANT	FULL TIME OR HALF TIME	TRANSFER APPLICANT	CITIZENSHIP	SPOUSE FULL TIME	YEAR ENTERING COLLEGE	HS NUMBER	DATE OF SIGNING HS

TEST DATE	H.S. GRADES (ENG, MATHEMATICS, SCIENCE)	ACT STANDARD SCORES (ENG, MATH, SOC S, NAT SCI, COMP)	HIGH SCHOOL ACCOMPLISHMENTS (LEADERSHIP, MUSIC, SPEECH, ART)	SIZE OF H.S. SENIOR CLASS	OUT OF HS 1 YEAR OR MORE

Student Profile	EDUCATIONAL MAJOR	DEGREE OBJECTIVE	HOUSING PLANS	HIGH SCHOOL CODE

APPLICANT'S PARENTS ARE	PARENTS' CHILDREN IN COLLEGE	PARENTS' CHILDREN NOT IN COLLEGE	MAIN FAMILY EARNER AGE	MAIN FAMILY EARNER OCCUPATION	APPLICANT LIVES WITH PARENTS (1973 / 1972 / 1971)	PARENTS SUPPORT APPLICANT (1973 / 1972 / 1971)	PARENTS CLAIM APPLICANT (1973 / 1972 / 1971)
Married	1	1	50				

Family Income

	BASE YEAR	JOINT RETURNS	ADJUSTED GROSS INCOME	FEDERAL INCOME TAX	NUMBER OF EXEMPTIONS CLAIMED	OTHER INCOME	DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS	NET WORTH OF SAVINGS	INCOME FROM WORK STUDY	ESTIMATED YEAR	ESTIMATED INCOME
PARENTS	1973	yes	13000	1400	4	0	0	0			
APPLICANT & SPOUSE											

Family Assets

PARENTS' SAVINGS AND INVESTMENTS	MARKET VALUE OF PARENTS' HOME	MORTGAGE ON PARENTS' HOME	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	NET ASSETS OF APPLICANT AND SPOUSE	FAMILY OWNED HS	PARENTS RETIREMENT SOC. SEC.	OTHER	NONE	S APPLICANT A VETERAN	HS OR GED GRADUATED
				15000							

MONTHLY AMOUNT APPLICANT WILL RECEIVE FROM SOCIAL SECURITY	WAR DEPENDENTS	G.I. BILL	WELFARE	A.D.C.	OTHER ASSISTANCE	TOTALING $
						BETWEEN SEPT. 1974 MAY 1975

Financial Need Analysis

MODEL **Dependent Student**

	ANALYSIS FOR	Parents
A	BASE YEAR-ESTIMATED YEAR	1973
A	TOTAL INCOME	13000
S	FAMILY SIZE ALLOWANCE	5560
S	FEDERAL INCOME TAX	1400
S	DEDUCTIONS ALLOWANCE	1170
O	HOUSEKEEPING ALLOWANCE	0
A	SOCIAL SECURITY TAX	468
L	= AVAILABLE INCOME	4402
C	EDUCATIONAL CONTRIBUTION	1617
O	NUMBER IN COLLEGE	1
M	CONTRIBUTION FROM INCOME	1617

A	PARENTS' SAVINGS & INVESTMENTS	
N	PARENTS' HOME EQUITY	
A	NET VALUE PARENTS' FARM OR BUSINESS	
S	PARENTS' OTHER ASSETS	
S	NET ASSETS OF APPLICANT AND SPOUSE (SPOUSE SUPPORTING ONLY)	
S	= NET ASSETS	15000
O	RETIREMENT ALLOWANCE	14619
A	= AVAILABLE ASSETS	381
A	AVAILABLE INCOME INCREMENT	19
S	EXPECTATION FROM ASSETS	7
E	NUMBER IN COLLEGE (DEPENDENT STUDENT REMAINING SELF SUPPORTING)	1
T	CONTRIBUTION FROM ASSETS	7

ADJUSTED AVAILABLE INCOME	4421	
TOTAL Parents' CONTRIBUTION	1620	

STUDENT RESOURCES	
SUMMER SAVINGS	
ASSETS (1st YEAR REMAINING)	
TOTAL FROM SOCIAL SECURITY, WAR DEPENDENTS, G.I. BILL, WELFARE, A.D.C. AND OTHER ASSISTANCE	
OTHER	
TOTAL	

BUDGET SUMMARY		COMMUTING STUDENT	RESIDENT STUDENT
COLLEGE OR SCHOOL BUDGET			
TOTAL FAMILY CONTRIBUTION	ACT		
ADJUST AND ROUND ⊕	ACT		

* TO NEAREST $25

NOTES

Social Security Tax would actually be $632.

Assumes 9 month College Budget; 39 Family Member Months in family size allowance.

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT — 1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

SAMPLE

NAME AND ADDRESS	SEX	DATE OF BIRTH	SOCIAL SECURITY NO	APPLICANT'S ID (INC. TYP)	APPLICANT'S	NUMBER OF CHILDREN
CASE #3 Net Worth = $5000 2 in College						

PRIOR APPLICANTS	FULL TIME OR HALF TIME?	TRIMESTER APPLIED FOR	CITIZEN?	SPOUSE FULL TIME?	YEAR MOST RECENT GRADE	HS SCHOOL	DATE OF BEGINNING HS

Student Profile

TEST DATE	H.S. GRADES (ENG / MATH / SCI / SOC)	ACT STANDARD SCORES (ENG / MATH / SOC S / N SCI / COMP)	HIGH SCHOOL ACCOMPLISHMENTS (LEADERSHIP / MUSIC / SPEECH / ART / ...)	SIZE OF H.S. SENIOR CLASS	OUT OF HS - YEAR OF MORE

EDUCATIONAL MAJOR	DEGREE OR [illegible]	HOUSING PLANS	HIGH SCHOOL CODE

APPLICANT'S PARENTS ARE	PARENTS' CHILDREN IN COLLEGE	PARENTS' CHILDREN NOT IN COLLEGE	MAIN FAMILY EARNER AGE	MAIN FAMILY EARNER OCCUPATION	APPLICANT LIVES WITH PARENTS (1972 / 1973 / 1974)	PARENTS SUPPORT APPLICANT (1972 / 1973 / 1974)	PARENTS CLAIM APPLICANT (1972 / 1973 / 1974)
Married	2		50				

Family Income

	BASE YEAR	JOINT RETURNS	ADJUSTED GROSS INCOME	FEDERAL INCOME TAX	NUMBER OF EXEMPTIONS CLAIMED	OTHER INCOME	DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS	INCOME'S OWN EARNINGS	INCOME FROM WORK STUDY	ESTIMATED YEAR	ESTIMATED INCOME
PARENTS	1973	yes	13000	1400	4	0	0	0			
APPLICANT & SPOUSE											

Family Assets

PARENTS' SAVINGS AND INVESTMENTS	MARKET VALUE OF PARENTS' HOME	MORTGAGE ON PARENTS' HOME	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS' OTHER ASSETS	NET ASSETS OF APPLICANT AND SPOUSE	FAMILY DWELLING IS	PARENTS' RETIREMENT SOC SEC	OTHER	HOME	IS APPLICANT A VETERAN?	IS OR CAN GRADUATE?
5000											

MONTHLY AMOUNT APPLICANT WILL RECEIVE FROM: SOCIAL SECURITY	WAR DEPENDENTS	OPEN	MILITARY	ADC	OTHER ASSISTANCE	TOTALING $	BETWEEN SEPT 1974 & MAY 1974

Financial Need Analysis

MODEL **Dependent Student**

		Parents	
A	ANALYSIS FOR	Parents	
N	BASE YEAR ESTIMATED YEAR	1973	
A	TOTAL INCOME	13000	
L	FAMILY SIZE ALLOWANCE	4540	
S	FEDERAL INCOME TAX	1400	
S	DEDUCTIONS ALLOWANCE	1170	
D	HOUSEKEEPING ALLOWANCE	0	
F	SOCIAL SECURITY TAX	468	
L	* AVAILABLE INCOME	5422	
S	EDUCATIONAL CONTRIBUTION	2031	
O	NUMBER IN COLLEGE	2	
M	CONTRIBUTION FROM INCOME		
A	PARENTS' SAVINGS & INVESTMENTS		
N	PARENTS' HOME EQUITY		
A	[illegible]		
L	[illegible]		
S	PARENTS' OTHER ASSETS		
S	[illegible]		
S	* NET ASSETS	5000	
O	RETIREMENT ALLOWANCE	13988	
F	* AVAILABLE ASSETS	- 8988	
A	AVAILABLE INCOME INCREMENT	- 449	
S	EXPECTATION FROM ASSETS		
E	NUMBER IN COLLEGE (DEPENDENT)	2	
S	CONTRIBUTION FROM ASSETS		
	ADJUSTED AVAILABLE INCOME	4973	
	TOTAL Parents' CONTRIBUTION	920	

STUDENT RESOURCES

SUMMER SAVINGS	
ASSETS - 4 YEAR REMAINING	
TOTAL FROM SOCIAL SECURITY, WAR DEPENDENTS, GI BILL, WELFARE, ADC, AND OTHER ASSISTANCE	
OTHER	
TOTAL	

BUDGET ANALYSIS

		COMMUTING STUDENT	RESIDENT STUDENT	
COLLEGE OR SCHOOL BUDGET				
TOTAL FAMILY CONTRIBUTION	ACT			
ADJUST AVAILABLE INCOME *	ACT			

* TO NEAREST $25

NOTES

Social Security Tax would actually be $632.

Assume 9 month College Budget for both children in college; 30 Family Member Months in family size allowance.

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT— 1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

NAME AND ADDRESS

CASE #4
Net Worth = $50,000
1 in College

SEX	DATE OF BIRTH	SOCIAL SECURITY NO	APPLICANT'S RELATIONSHIP TO PARENTS	APPLICANT IS	NUMBER OF CHILDREN

MAJOR APPLICANTS	FULL TIME OR PART TIME	TERM(S) APPLIED FOR	CITIZENS	VETERAN FULL TIME	YEAR VETERAN GRADUATED	HS SIGNED	DATE OF SIGNING HS

SAMPLE

TEST DATE	HS GRADES ENG	MATH	SCI	SOC SCI	ACT STANDARD SCORES ENG	MATH	SOC S	N SCI	COMP	HIGH SCHOOL ACCOMPLISHMENTS CLASSROOM	MUSIC	SPEECH	ART	WRITING	SIZE OF HS SENIOR CLASS	OUT OF HS 1 YEAR OR MORE

Student Profile

EDUCATIONAL MAJOR	DEGREE	HOUSING PLANS	HIGH SCHOOL CODE

APPLICANT'S PARENTS ARE	PARENTS CHILDREN IN COLLEGE	PARENTS CHILDREN NOT IN COLLEGE	MAIN FAMILY EARNER AGE	OCCUPATION	FAMILY LIVES WITH PARENTS 19TH	19TH	19TH	PARENTS SUPPORT APPLICANT 19TH	19TH	19TH	PARENTS CLAIM APPLICANT 19TH	19TH	19TH
Married	1	1	50										

Family Income

	BASE YEAR	JOINT RETURN?	ADJUSTED GROSS INCOME	FEDERAL INCOME TAX	NUMBER OF EXEMPTIONS CLAIMED	OTHER INCOME	DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS	MOTHER'S REMARRIAGE	INCOME FROM HOME STUDY	ESTIMATED YEAR	ESTIMATED INCOME
PARENTS	1973	yes	13000	1400	4	0	0	0			
APPLICANT & SPOUSE											

Family Assets

	PARENTS SAVINGS AND INVESTMENTS	MARKET VALUE OF PARENTS HOME	MORTGAGE ON PARENTS HOME	NET VALUE PARENTS HOME (FROM HS SHEET)	PARENTS OTHER ASSETS	NET ASSETS OF APPLICANT AND SPOUSE	FAMILY OWNED HS	PARENTS RETIREMENT SOC SEC	OTHER	HOME	% APPLICANT A VETERAN	HS OR GED GRADUATE?
		10000	0	40000								

50,000

MONTHLY AMOUNT APPLICANT WILL RECEIVE FROM SOCIAL SECURITY	WAR DEPENDENTS	GI BILL	WELFARE	AFDC	OTHER ASSISTANCE	TOTALING $ BETWEEN SEPT 1974 MAY 1975

STUDENT RESOURCES

SUMMER SAVINGS	
ASSETS (4 YEARS REMAINING)	
TOTAL FROM SOCIAL SECURITY, WAR DEPENDENTS, GI BILL, WELFARE, AFDC AND OTHER ASSISTANCE	
OTHER	
TOTAL	

STUDENT BUDGET

		COMMUTING STUDENT	RESIDENT STUDENT
COLLEGE BROCHURE BUDGET			
TOTAL FAMILY CONTRIBUTION	ACT		
NEXT AVAILABLE WEEKS IN	ACT		

* TO NEAREST $25

Financial Need Analysis

MODEL Dependent Student

	Parents	
ANALYSIS FOR		
BASE YEAR ESTIMATED YEAR	1973	
TOTAL INCOME	13000	
FAMILY SIZE ALLOWANCE	5560	
FEDERAL INCOME TAX	1400	
DEDUCTIONS ALLOWANCE	1170	
HOUSEKEEPING ALLOWANCE	0	
SOCIAL SECURITY TAX	468	
AVAILABLE INCOME	4402	
EDUCATIONAL CONTRIBUTION	1617	
NUMBER IN COLLEGE	1	
CONTRIBUTION FROM INCOME	1617	

PARENTS SAVINGS & INVESTMENTS		
PARENTS HOME EQUITY	10000	
NET VALUE OF PARENTS HOME (FROM HS SHEET)	40000	
PARENTS OTHER ASSETS		
NET ASSETS OF APPLICANT AND SPOUSE (FROM HS SHEET)		
NET ASSETS	50000	
RETIREMENT ALLOWANCE	14619	
AVAILABLE ASSETS	35381	
AVAILABLE INCOME INCREMENT	2953	
EXPECTATION FROM ASSETS	1314	
NUMBER IN COLLEGE INCREMENT (MAY FINANCE ONLY UNDERGRAD)	1	
CONTRIBUTION FROM ASSETS	1314	

ADJUSTED AVAILABLE INCOME	7355	
TOTAL Parents' CONTRIBUTION	2930	

NOTES

Social Security Tax would actually be $632.

Assume 9 month College Budget; 39 Family Member Months in family size allowance.

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT — 1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

NAME AND ADDRESS

CASE #5
Net Worth - $5000
1 in College - include Grandmother

SEX | DATE OF BIRTH | SOCIAL SECURITY NO. | APPLICANT'S EDUCATIONAL STATUS | APPLICANT'S | NUMBER OF CHILDREN

WHEN APPLICANTS | FULL TIME OR PART TIME | TERMS APPLIED FOR | CITIZENS | VETERAN FULL TIME | YEAR IN HS SENIOR | HS SIGNED | DATE OF SIGNING HS

SAMPLE

TEST DATE | H.S. GRADES (ENG. MATHEM. SCIENCE) | ACT STANDARD SCORES (ENG. MATH. SOC. S. N. SCI. COMP.) | HIGH SCHOOL ACCOMPLISHMENTS (LEADERSHIP, MUSIC, SPEECH, ART, ...) | SIZE OF H.S. SENIOR CLASS | OUT OF HS YEAR OR MORE

Student Profile

EDUCATIONAL MAJOR | DEGREE OBJECTIVE | HOUSING PLANS | HIGH SCHOOL CODE

APPLICANT'S PARENTS ARE	PARENTS IN COLLEGE	CHILDREN NOT IN COLLEGE	MAIN FAMILY EARNER AGE	OCCUPATION	APPLICANT LIVES WITH PARENTS (WHY, WHY, WHY)	PARENTS SUPPORT APPLICANT (WHY, WHY, WHY)	PARENTS CLAIM APPLICANT (WHY, WHY, WHY)
Married	1	1	50				

Family Income

	BASE YEAR	JOINT RETURN?	HOUSEHOLD GROSS INCOME	TOTAL INCOME TAX	NUMBER OF EXEMPTIONS CLAIMED	OTHER INCOME	DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS	NUMBER IN HS SENIOR	INCOME FROM WORK STUDY	ESTIMATED YEAR	ESTIMATED INCOME
PARENTS	1973	yes	13000	1400	5	0	0	3	0		
APPLICANT & SPOUSE											

Family Assets

PARENTS SAVINGS & INVESTMENTS	MARKET VALUE OF PARENTS HOME	MORTGAGE ON PARENTS HOME	NET VALUE PARENTS FARM OR BUSINESS	PARENTS OTHER ASSETS	NET ASSETS OF APPLICANT AND SPOUSE	FAMILY DWELLING IS	PARENTS RETIREMENT SOC SEC	OTHER	HOME	IS APPLICANT A VETERAN?	HS OR GED GRADUATE?
				5000							

MONTHLY AMOUNT APPLICANT WILL RECEIVE FROM: LOCAL SCHOLARSHIP | NSF | OPPORTUNITY GRANT | NDSL | WELFARE | ROTC | OTHER ASSISTANCE | TOTALING $ | BETWEEN SEPT. 1974 MAY 1975

Financial Need Analysis

MODEL Dependent Student

		Parents	
A	ANALYSIS FOR		
N	BASE YEAR ESTIMATED YEAR	1973	
A	TOTAL INCOME	13000	
L	FAMILY SIZE ALLOWANCE	6730	
Y	FEDERAL INCOME TAX	1400	
S	DEDUCTIONS ALLOWANCE	1170	
O	HOUSEKEEPING ALLOWANCE	0	
F	SOCIAL SECURITY TAX	468	
	AVAILABLE INCOME	3232	
N	EDUCATIONAL CONTRIBUTION	1168	
O	NUMBER IN COLLEGE	1	
M	CONTRIBUTION FROM INCOME	1168	
E			

A	PARENTS SAVINGS & INVESTMENTS		
N	PARENTS HOME EQUITY		
A	NET VALUE OF PARENTS FARM OR BUSINESS		
L	PARENTS OTHER ASSETS		
Y	NET ASSETS (PARENTS AND HOUSEHOLD MEMBERS)		
S	NET ASSETS	5000	
O	RETIREMENT ALLOWANCE	15341	
F	AVAILABLE ASSETS	-10341	
A	AVAILABLE INCOME INCREMENT	- 317	
S	EXPECTATION FROM ASSETS	- 193	
	NUMBER IN COLLEGE (INCLUDING APPLICANT)	1	
S	CONTRIBUTION FROM ASSETS	- 193	

ADJUSTED AVAILABLE INCOME	2715	
TOTAL Parents' CONTRIBUTION	970	

STUDENT RESOURCES

SUMMER SAVINGS	
ASSETS (4 YEARS REMAINING)	
TOTAL FROM SOCIAL SECURITY, WAR DEPENDENTS, GI BILL, WELFARE, ADC AND OTHER ASSISTANCE	
OTHER	
TOTAL	

BUDGET ANALYSIS

		COMMUTING STUDENT	RESIDENT STUDENT	
COLLEGE OR SCHOOL BUDGET				
TOTAL FAMILY INCOME	NET			
BUDGET				
REMAINING	NET			

* TO NEAREST $25

NOTES

Social Security Tax would actually be $632.

Assumes 9 month College Budget; assumes grandmother is tax exemption; 51 Family Member Months in family size allowance.

BEST COPY AVAILABLE

COMPREHENSIVE FINANCIAL AID REPORT — 1974-75

THE AMERICAN COLLEGE TESTING PROGRAM

CONFIDENTIAL

COLLEGE CODE:

NAME AND ADDRESS

CASE #6
Net Worth = $15000
2 in College

SEX | DATE OF BIRTH | SOCIAL SECURITY NO | APPLICANT'S DEPENDENCY STATUS | APPLICANT IS | NUMBER OF CHILDREN

PRIOR APPLICANTS | FULL TIME OR HALF TIME | TERMS APPLIED FOR | CITIZEN | UNDER FULL TIME | YEAR UNDER GRADUATES | FFS SIGNED | DATE OF SIGNING FFS

TEST DATE | H.S. GRADES (ENG, MATHEM., SOC. S., NAT. SC.) | ACT STANDARD SCORES (ENG., MATH., SOC. S., NAT. SC., COMP.) | HIGH SCHOOL ACCOMPL. (LEADERSHIP, MUSIC, SPEECH, ART, ...) | SIZE OF H.S. SENIOR CLASS | OUT OF HS 1 YEAR OR MORE

Student Profile

EDUCATIONAL MAJOR | HOUSING PLANS | HIGH SCHOOL CODE

SAMPLE

APPLICANT'S PARENTS ARE: Married | PARENTS CHILDREN IN COLLEGE: 2 | NOT IN COLLEGE | MAIN FAMILY EARNER: AGE 50 | OCCUPATION | APPLICANT LIVES WITH PARENTS | PARENTS SUPPORT APPLICANT | PARENTS CLAIM APPLICANT

Family Income

	BASE YEAR	JOINT RETURN?	ADJUSTED GROSS INCOME	FEDERAL INCOME TAX	NUMBER OF EXEMPTIONS CLAIMED	OTHER INCOME	DEDUCTIONS FOR INTEREST AND CONTRIBUTIONS	OTHER'S SAVINGS	INCOME FROM WORK STUDY	ESTIMATED YEAR	ESTIMATED INCOME
PARENTS	1973	yes	13000	1400	4	0	0	0			
APPLICANT & SPOUSE											

Family Assets

PARENTS SAVINGS AND INVESTMENTS	MARKET VALUE OF PARENTS' HOME	MORTGAGE ON PARENTS' HOME	NET VALUE PARENTS' FARM OR BUSINESS	PARENTS OTHER ASSETS	NET ASSETS OF APPLICANT AND WIFE	FAMILY OWELLING IS	PARENTS RETIREMENT: SOC. SEC.	OTHER	HOME	S. APPLICANT: H.S. GRADS	HS OR GED GRADUATES
15000											

MONTHLY AMOUNT APPLICANT WILL RECEIVE FROM: SOCIAL SECURITY | WAR ORPHANS | G.I. BILL | WELFARE | A.D.C. | OTHER ASSISTANCE | TOTALING $ BETWEEN SEPT. 1974 MAY 1975

Financial Need Analysis

MODEL Dependent Student

		Parents	
A	ANALYSIS FOR		
N	BASE YEAR ESTIMATED YEAR	1973	
A	TOTAL INCOME	13000	
L	FAMILY SIZE ALLOWANCE	4540	
Y	FEDERAL INCOME TAX	1400	
S	DEDUCTIONS ALLOWANCE	1170	
I	HOUSEKEEPING ALLOWANCE	0	
S	SOCIAL SECURITY TAX	468	
	= AVAILABLE INCOME	5422	
N	EDUCATIONAL CONTRIBUTION	2031	
C	NUMBER IN COLLEGE	2	
O	CONTRIBUTION FROM INCOME	1016	
M			
E			

A	PARENTS SAVINGS & INVESTMENTS		
N	PARENTS HOME EQUITY		
A	OTHER PARENTS ASSETS		
L	PARENTS OTHER ASSETS		
Y	NET WORTH OF APPLICANT AND WIFE (LESS MORTGAGE)		
S	= NET ASSETS	15000	
I	RETIREMENT ALLOWANCE	13988	
S	= AVAILABLE ASSETS	1012	
O	AVAILABLE INCOME INCREMENT	51	
A	EXPECTATION FROM ASSETS	21	
N	NUMBER IN COLLEGE (DEPENDENT, SEMI-INDEPENDENT, SEMI-INDEPENDENT, SEMI-INDEPENDENT)	2	
S	CONTRIBUTION FROM ASSETS	11	

ADJUSTED AVAILABLE INCOME	5473	
TOTAL Parents' CONTRIBUTION	1020	

STUDENT RESOURCES

SUMMER SAVINGS	
ASSETS + YEARS REMAINING	
TOTAL FROM SOCIAL SECURITY, WAR ORPHANS, GI BILL, WELFARE, ADC, AND OTHER ASSISTANCE	
OTHER	
TOTAL	

BUDGET ANALYSIS

		COMMUTING STUDENT	RESIDENT STUDENT	
COLLEGE OR SCHOOL BUDGET				
TOTAL FAMILY COSTS BUDGET	ACT			
AIDED AMOUNT NEEDED @	ACT			

@ TO NEAREST $25

NOTES

Social Security Tax would actually be $632.

Assumes 9 month College Budget for both children in college; 30 Family Member Months in family size allowance.

BEST COPY AVAILABLE

Basic Educational Opportunity Grant Program

EXPECTED FAMILY CONTRIBUTION FOR DEPENDENT
STUDENTS, ACADEMIC YEAR 1973-74
Summary of Calculations

1.	Parent's adjusted gross income in 1972			$ 13000
2.	Other parental income in 1972			+ –
3.	Parent's adjusted annual income in 1972			= 13000
4.	Parent's Federal Income Tax paid in 1972			– 1400
5.	Effective family income in 1972			11600
6.	Family size offset	+ 4300	(Table 1)	
7.	Unusual expenses	+ –	(Table 2)	
8.	Employment expense	+ –	(Table 3)	
9.	Total offsets against income (lines 6 + 7 + 8)			– 4300
10.	Discretionary income (line 5 minus line 9)			7300
11.	Determine net assets of parents			5000
12.	If line 10 is a negative amount, subtract from line 11 the amount necessary to bring discretionary income up to zero. Enter the remainder of the net asset			5000
13.	If line 10 is a positive amount, enter that amount. If line 10 is a negative amount enter zero			7300
14.	Determine net other assets of parents			–
15.	Multiply discretionary income in line 13 by applicable rate to obtain standard contribution			1690
16.	Subtract asset reserve of $7500 from amount entered on line 12 to obtain available parental assets			–
17.	Multiply available parental assets by 0.05			x 0.05
18.	Parental contribution from assets			–
19.	Subtract other asset reserve of $7500 from amount entered on line 14 to obtain available other assets of parents			–
20.	Multiply available other assets of parents by 0.05			x 0.05
21.	Parental contribution from other assets			–
22.	Add line 15 plus line 18 plus 21 to obtain standard contribution from income, assets and other assets			1690
23.	Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education			1690
24.	Effective income of student			–
25.	Determine net assets of student			–
26.	Multiply student's net assets by 0.33			x 0.33
27.	Student's contribution from assets			= –
28.	Total family contribution equals sum of lines 23 plus 24 plus 27			= 1690

CASE #1
Net Worth = $5000
1 in College

BEST COPY AVAILABLE

Basic Educational Opportunity Grant Program

EXPECTED FAMILY CONTRIBUTION FOR DEPENDENT
STUDENTS, ACADEMIC YEAR 1973-74
Summary of Calculations

1.	Parent's adjusted gross income in 1972			$ 13000
2.	Other parental income in 1972			+ -
3.	Parent's adjusted annual income in 1972			= 13000
4.	Parent's Federal Income Tax paid in 1972			- 1400
5.	Effective family income in 1972			11600
6.	Family size offset	+ 4300	(Table 1)	
7.	Unusual expenses	+ -	(Table 2)	
8.	Employment expense	+ -	(Table 3)	
9.	Total offsets against income (lines 6 + 7 + 8)			- 4300
10.	Discretionary income (line 5 minus line 9)			7300
11.	Determine net assets of parents			15000
12.	If line 10 is a negative amount, subtract from line 11 the amount necessary to bring discretionary income up to zero. Enter the remainder of the net asset			15000
13.	If line 10 is a positive amount, enter that amount. If line 10 is a negative amount enter zero			7300
14.	Determine net other assets of parents			-
15.	Multiply discretionary income in line 13 by applicable rate to obtain standard contribution			1690
16.	Subtract asset reserve of $7500 from amount entered on line 12 to obtain available parental assets			7500
17.	Multiply available parental assets by 0.05			x 0.05
18.	Parental contribution from assets			375
19.	Subtract other asset reserve of $7500 from amount entered on line 14 to obtain available other assets of parents			-
20.	Multiply available other assets of parents by 0.05			x 0.05
21.	Parental contribution from other assets			-
22.	Add line 15 plus line 18 plus 21 to obtain standard contribution from income, assets and other assets			2065
23.	Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education			2065
24.	Effective income of student			-
25.	Determine net assets of student			-
26.	Multiply student's net assets by 0.33			x 0.33
27.	Student's contribution from assets			= -
28.	Total family contribution equals sum of lines 23 plus 24 plus 27			= 2065

CASE #2
Net Worth = $15000
1 in College

BEST COPY AVAILABLE

Basic Educational Opportunity Grant Program

EXPECTED FAMILY CONTRIBUTION FOR DEPENDENT
STUDENTS, ACADEMIC YEAR 1973-74
Summary of Calculations

1.	Parent's adjusted gross income in 1972			$ 13000
2.	Other parental income in 1972			+ -
3.	Parent's adjusted annual income in 1972			= 13000
4.	Parent's Federal Income Tax paid in 1972			- 1400
5.	Effective family income in 1972			11600
6.	Family size offset	+ 4300	(Table 1)	
7.	Unusual expenses	+ -	(Table 2)	
8.	Employment expense	+ -	(Table 3)	
9.	Total offsets against income (lines 6 + 7 + 8)			- 4300
10.	Discretionary income (line 5 minus line 9)			7300
11.	Determine net assets of parents			5000
12.	If line 10 is a negative amount, subtract from line 11 the amount necessary to bring discretionary income up to zero. Enter the remainder of the net asset			5000
13.	If line 10 is a positive amount, enter that amount. If line 10 is a negative amount enter zero			7300
14.	Determine net other assets of parents			-
15.	Multiply discretionary income in line 13 by applicable rate to obtain standard contribution			1690
16.	Subtract asset reserve of $7500 from amount entered on line 12 to obtain available parental assets			-
17.	Multiply available parental assets by 0.05			x 0.05
18.	Parental contribution from assets			-
19.	Subtract other asset reserve of $7500 from amount entered on line 14 to obtain available other assets of parents			-
20.	Multiply available other assets of parents by 0.05			x 0.05
21.	Parental contribution from other assets			-
22.	Add line 15 plus line 18 plus 21 to obtain standard contribution from income, assets and other assets			1690
23.	Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education			1183
24.	Effective income of student			-
25.	Determine net assets of student			-
26.	Multiply student's net assets by 0.33			x 0.33
27.	Student's contribution from assets			= -
28.	Total family contribution equals sum of lines 23 plus 24 plus 27			= 1183

CASE #3
Net Worth = $5000
2 in College

BEST COPY AVAILABLE

Basic Educational Opportunity Grant Program

EXPECTED FAMILY CONTRIBUTION FOR DEPENDENT
STUDENTS, ACADEMIC YEAR 1973-74
Summary of Calculations

1.	Parent's adjusted gross income in 1972			$ 13000
2.	Other parental income in 1972			+ -
3.	Parent's adjusted annual income in 1972			= 13000
4.	Parent's Federal Income Tax paid in 1972			- 1400
5.	Effective family income in 1972			11600
6.	Family size offset	+ 4300	(Table 1)	
7.	Unusual expenses	+ -	(Table 2)	
8.	Employment expense	+ -	(Table 3)	
9.	Total offsets against income (lines 6 + 7 + 8)			- 4300
10.	Discretionary income (line 5 minus line 9)			7300
11.	Determine net assets of parents			50000
12.	If line 10 is a negative amount, subtract from line 11 the amount necessary to bring discretionary income up to zero. Enter the remainder of the net asset			50000
13.	If line 10 is a positive amount, enter that amount. If line 10 is a negative amount enter zero			7300
14.	Determine net other assets of parents			-
15.	Multiply discretionary income in line 13 by applicable rate to obtain standard contribution			1690
16.	Subtract asset reserve of $7500 from amount entered on line 12 to obtain available parental assets			42500
17.	Multiply available parental assets by 0.05			x 0.05
18.	Parental contribution from assets			2125
19.	Subtract other asset reserve of $7500 from amount entered on line 14 to obtain available other assets of parents			-
20.	Multiply available other assets of parents by 0.05			x 0.05
21.	Parental contribution from other assets			-
22.	Add line 15 plus line 18 plus 21 to obtain standard contribution from income, assets and other assets			3815
23.	Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education			3815
24.	Effective income of student			-
25.	Determine net assets of student			-
26.	Multiply student's net assets by 0.33			x 0.33
27.	Student's contribution from assets			= -
28.	Total family contribution equals sum of lines 23 plus 24 plus 27			= 3815

CASE #4
Net Worth = $50,000
1 in College

31-508 O - 74 - 23

BEST COPY AVAILABLE

Basic Educational Opportunity Grant Program

EXPECTED FAMILY CONTRIBUTION FOR DEPENDENT
STUDENTS, ACADEMIC YEAR 1973-74
Summary of Calculations

1.	Parent's adjusted gross income in 1972		$ 13000
2.	Other parental income in 1972		+
3.	Parent's adjusted annual income in 1972		= 13000
4.	Parent's Federal Income Tax paid in 1972		- 1400
5.	Effective family income in 1972		11600
6.	Family size offset	+ 5050 (Table 1)	
7.	Unusual expenses	+ - (Table 2)	
8.	Employment expense	+ - (Table 3)	- 5050
9.	Total offsets against income (lines 6 + 7 + 8)		6550
10.	Discretionary income (line 5 minus line 9)		5000
11.	Determine net assets of parents		
12.	If line 10 is a negative amount, subtract from line 11 the amount necessary to bring discretionary income up to zero. Enter the remainder of the net asset		5000
13.	If line 10 is a positive amount, enter that amount. If line 10 is a negative amount enter zero		6550
14.	Determine net other assets of parents		-
15.	Multiply discretionary income in line 13 by applicable rate to obtain standard contribution		1465
16.	Subtract asset reserve of $7500 from amount entered on line 12 to obtain available parental assets		-
17.	Multiply available parental assets by 0.05		x 0.05
18.	Parental contribution from assets		-
19.	Subtract other asset reserve of $7500 from amount entered on line 14 to obtain available other assets of parents		-
20.	Multiply available other assets of parents by 0.05		x 0.05
21.	Parental contribution from other assets		-
22.	Add line 15 plus line 18 plus 21 to obtain standard contribution from income, assets and other assets		1465
23.	Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education		1465
24.	Effective income of student		-
25.	Determine net assets of student		-
26.	Multiply student's net assets by 0.33		x 0.33
27.	Student's contribution from assets		= -
28.	Total family contribution equals sum of lines 23 plus 24 plus 27		= 1465

CASE #5
Net Worth = $5000
1 in College; Assume Grandmother is a
family income tax exemption.

BEST COPY AVAILABLE

Basic Educational Opportunity Grant Program

EXPECTED FAMILY CONTRIBUTION FOR DEPENDENT
STUDENTS, ACADEMIC YEAR 1973-74
Summary of Calculations

1.	Parent's adjusted gross income in 1972			$ 13000
2.	Other parental income in 1972			+ -
3.	Parent's adjusted annual income in 1972			= 13000
4.	Parent's Federal Income Tax paid in 1972			- 1400
5.	Effective family income in 1972			11600
6.	Family size offset	+ 4300	(Table 1)	
7.	Unusual expenses	+ -	(Table 2)	
8.	Employment expense	+ -	(Table 3)	
9.	Total offsets against income (lines 6 + 7 + 8)			- 4300
10.	Discretionary income (line 5 minus line 9)			7300
11.	Determine net assets of parents			15000
12.	If line 10 is a negative amount, subtract from line 11 the amount necessary to bring discretionary income up to zero. Enter the remainder of the net asset			15000
13.	If line 10 is a positive amount, enter that amount. If line 10 is a negative amount enter zero			7300
14.	Determine net other assets of parents			-
15.	Multiply discretionary income in line 13 by applicable rate to obtain standard contribution			1690
16.	Subtract asset reserve of $7500 from amount entered on line 12 to obtain available parental assets			7500
17.	Multiply available parental assets by 0.05			x 0.05
18.	Parental contribution from assets			375
19.	Subtract other asset reserve of $7500 from amount entered on line 14 to obtain available other assets of parents			-
20.	Multiply available other assets of parents by 0.05			x 0.05
21.	Parental contribution from other assets			-
22.	Add line 15 plus line 18 plus 21 to obtain standard contribution from income, assets and other assets			2065
23.	Multiply standard contribution by multiple student rate to determine expected family contribution for each family member in postsecondary education			1446
24.	Effective income of student			-
25.	Determine net assets of student			-
26.	Multiply student's net assets by 0.33			x 0.33
27.	Student's contribution from assets			= -
28.	Total family contribution equals sum of lines 23 plus 24 plus 27			= 1446

CASE #6
Net Worth = $15000
2 in College

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1973 - 1974

CONFIDENTIAL

NAME OF APPLICANT			SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	NO. OF PARENTS	NO. OF CHILDREN	CLASSIFICATION *	COLLEGE CODE
LAST	FIRST	M.I.							
						2	2	1	

DATE PRINTED	UNUSUAL CONDITIONS **
	D

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	HOUSEKEEPING	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	13000	1400	350	-0-	-0-	-0-	-0-	-0-	1750	11250
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM FAMILY ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	5000	-0-	-0-	-0-	-0-			50	-250
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S RESOURCES AND BENEFITS: SUMMER SAVINGS	RESOURCES	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	11020	1100	357	1	1457						

YEAR	COLLEGE BUDGETS: RESIDENT	COMMUTER	OUT OF STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT OF STATE	OTHER
1								

* CLASSIFICATION

1. Two parent family.
2. Separated or divorced two parent family.
3. Father sole support.
4. Mother sole support, father deceased.
5. Mother sole support, separated or divorced.
6. Unusual conditions. CSS recommends individual analysis.

M. Married applicant.

B. Business or farm loss.

I. Family indebtedness exceeds assets.

** UNUSUAL CONDITIONS

A. No federal tax reported for 1972, standard tax used.

B. Federal tax reported for 1972 is less than 80% of standard tax; reported tax used.

C. Federal tax for 1972 exceeds standard tax by 100 or more; standard tax used.

D. Income for 1973 differs by $1,000 from 1972 income - suggest review.

COLLEGE ESTIMATE

1. College budget _____
2. College adjustment _____
3. TOTAL BUDGET _____
4. Parents' contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Other resources _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (line 3 minus 8) _____

FINANCIAL AID AWARD

GRANT _____

LOAN _____

JOB _____

- 1M 2/91-60

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1973-1974

CONFIDENTIAL

NAME OF APPLICANT: LAST	FIRST	M.I.	SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	NO. OF PARENTS	NO. OF CHILDREN	CLASSIFICATION *	COLLEGE CODE	DATE PRINTED	[illegible] **
						2	2	1			0

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	HOUSEKEEPING	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	13[illegible]0	[illegible]	[illegible]50	0	0	0	0	0	1750	1125[illegible]
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM FAMILY ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	15000	0	0	0	✓	15[illegible]	0	15[illegible]0[illegible]	770
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S RESOURCES AND BENEFITS: SUMMER SAVINGS	RESOURCES	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
	12 023	1100	784	1	1084						

YEAR	COLLEGE BUDGETS: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER

*** CLASSIFICATION**

1. Two parent family
2. Separated or divorced two parent family
3. Father sole support
4. Mother sole support, father deceased
5. Mother sole support, separated or divorced
6. Unusual conditions, CSS recommends individual analysis

M. Married applicant

R. Business or farm case

I. Family indebtedness exceeds assets

**** UNUSUAL CONDITIONS**

A. No federal tax reported for 1972, standard tax used

B. Federal tax reported for 1973 is less than 50% of standard tax, reported tax used

C. Federal tax for 1972 exceeds standard tax by 10% or more, standard tax used

D. Income for 1973 differs by $1,000 from 1972 income - suggest review

COLLEGE ESTIMATE

1. College budget _____
2. College adjustment _____
3. TOTAL BUDGET _____
4. Parents' contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Other resources _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (line 3 minus 8) _____

FINANCIAL AID AWARD

GRANT _____

LOAN _____

JOB _____

1 M 376140

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1973-1974

[illegible]

NAME OF APPLICANT: LAST	FIRST	M.I.	SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	NO. OF PARENTS	NO. OF CHILDREN	CLASSIFICATION *	COLLEGE CODE	DATE PRINTED	[illegible]
						2	2	1			D

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	HOUSEKEEPING	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	13000	1400	350	-0-	-0-	-0-	-0-	-0-	1750	11250
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM FAMILY ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	5000	-0-	-0-	-0-	-0-	5000	-0-	5000	230
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S RESOURCES AND BENEFITS: SUMMER SAVINGS	RESOURCES	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	[illegible]	1100	397	2	1293						

YEAR	COLLEGE BUDGETS: RESIDENT	COMMUTER	OUT OF STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT OF STATE	OTHER
1								

* CLASSIFICATION
1. Two parent family
2. Separated or divorced two parent family
3. Father sole support
4. Mother sole support [illegible]
5. Mother sole support separated or divorced
6. Unusual conditions, CSS recommends individual analysis
M. Married applicant
B. Business or farm case
F. Family indebtedness exceeds assets

** UNUSUAL CONDITIONS
A. No federal tax reported for 1972 - standard tax used
B. Federal tax reported for 1972 is less than 80% of standard tax - reported tax used
C. Federal tax for 1972 exceeds standard tax by 10% or more - standard tax used
D. Income for 1973 differs by $1,000 from 1972 income - suggest review

COLLEGE SETTLEMENT
1. College budget
2. College adjustment
3. TOTAL BUDGET
4. Parents' contribution
5. Applicant's summer savings
6. Applicant's assets
7. Other resources
8. TOTAL CONTRIBUTION
9. FINANCIAL NEED (line 3 minus 8)

FINANCIAL AID AWARD
GRANT
LOAN
JOB

I N 378140

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

Case 4

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1973-1974

CONFIDENTIAL

NAME OF APPLICANT: LAST	FIRST	M.I.	SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	NO. OF PARENTS	NO. OF CHILDREN	CLASSIFICATION *	COLLEGE CODE	DATE PRINTED	UNUSUAL CONDITIONS **
						2	2	1			0

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	HOUSEKEEPING	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	13000	1400	350	0	0	0	0	0	1750	11250
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM FAMILY ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	50000	0	0	0	0	50000	0	50000	4276
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S RESOURCES AND BENEFITS: SUMMER SAVINGS	RESOURCES	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
	15500	1100	2564	1	3664						

YEAR	COLLEGE BUDGETS: RESIDENT	COMMUTER	OUT OF STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT OF STATE	OTHER

* CLASSIFICATION
1. Two parent family
2. Separated or divorced two parent family
3. Father sole support
4. Mother sole support father deceased
5. Mother sole support separated or divorced
6. Unusual conditions, CSS recommends individual analysis
M. Married applicant
B. Business or farm case
T. Family indebtedness exceeds assets

** UNUSUAL CONDITIONS
A. No federal tax reported for 1972 standard tax used
B. Federal tax reported for 1972 is less than 80% of standard tax reported tax used
C. Federal tax for 1972 exceeds standard tax by 10% or more standard tax used
D. Income for 1973 differs by $1,000 from 1972 income - suggest review

COLLEGE ESTIMATE

1. College budget _____
2. College adjustment _____
3. TOTAL BUDGET _____
4. Parents' contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Other resources _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (line 3 minus 8) _____

FINANCIAL AID AWARD

GRANT _____

LOAN _____

JOB _____

1 N 376140

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

Case 5

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1973-1974

CONFIDENTIAL

NAME OF APPLICANT			SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	NO. OF PARENTS	NO. OF CHILDREN	CLASSIFICATION *	COLLEGE CODE	DATE PRINTED	UNUSUAL CONDITIONS **
LAST	FIRST	M.I.									
						2	2	1			C D

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	HOUSEKEEPING	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	13000	1247	350	-0-	-0-	-0-	0-	600	2197	10803
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM FAMILY ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	5000	-0-	-0-	-0-	-0-	5000	-0-	5000	-230
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S RESOURCES AND BENEFITS: SUMMER SAVINGS	RESOURCES	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	10573	1100	239	1	1339						

YEAR	COLLEGE BUDGETS: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER
1								

*** CLASSIFICATION**

1. Two-parent family
2. Separated or divorced two-parent family
3. Father sole support
4. Mother sole support, father deceased
5. Mother sole support, separated or divorced
6. Unusual conditions; CSS recommends individual analysis
M. Married applicant
R. Business or farm case
T. Family indebtedness exceeds assets

**** UNUSUAL CONDITIONS**

A. No federal tax reported for 1972; standard tax used
B. Federal tax reported for 1972 is less than 50% of standard tax; reported tax used
C. Federal tax for 1972 exceeds standard tax by 10% or more; standard tax used
D. Income for 1973 differs by $1,000 from 1972 income - suggest review

COLLEGE ESTIMATE

1. College budget _____
2. College adjustment _____
3. TOTAL BUDGET _____
4. Parents' contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Other resources _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (line 3 minus 8) _____

FINANCIAL AID AWARD

GRANT _____

LOAN _____

JOB _____

LM 376140

BEST COPY AVAILABLE

BEST COPY AVAIL...

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

Cis C

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1973-1974

CONFIDENTIAL

NAME OF APPLICANT: LAST	FIRST	M.I.	SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	NO. OF PARENTS	NO. OF CHILDREN	CLASSIFICATION *	COLLEGE CODE	DATE PRINTED	UNUSUAL CONDITIONS **
						2	2	1			D

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	HOUSEKEEPING	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	13000	1400	350	0	0	0	0	0	1750	11250
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM FAMILY ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	15000	0	0	0	0	15000	0	15000	770
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S RESOURCES AND BENEFITS: SUMMER SAVINGS	RESOURCES	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	12020	1100	784	2	1492						

YEAR	COLLEGE BUDGETS: RESIDENT	COMMUTER	OUT OF STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT OF STATE	OTHER

* CLASSIFICATION
1. Two parent family
2. Separated or divorced two parent family
3. Father sole support
4. Mother sole support, father deceased
5. Mother sole support, separated or divorced
6. Unusual conditions; CSS recommends individual analysis
M. Married applicant
R. Business or farm case
T. Family indebtedness exceeds assets

** UNUSUAL CONDITIONS
A. No federal tax reported for 1972, standard tax used
B. Federal tax reported for 1973 is less than 50% of standard tax reported tax used
C. Federal tax for 1972 exceeds standard tax by 10% or more, standard tax used
D. Income for 1973 differs by $1,000 from 1972 income-suggest review

COLLEGE ESTIMATE

1. College budget _____
2. College adjustment _____
3. TOTAL BUDGET _____
4. Parents' contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Other resources _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (line 3 minus 8) _____

FINANCIAL AID AWARD

GRANT _____

LOAN _____

JOB _____

I.N. 376149

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

Case 1

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-1975

CONFIDENTIAL

NAME OF APPLICANT LAST	FIRST	M I	SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	No Par	No Child	CLASS *	COLLEGE CODE	Rev	DATE PRINTED	UNUSUAL CONDITIONS **	CSS Identification No.
						2	2	1				D	

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	WORKING SPOUSE	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	13000	1400	350	0	0	0	0	0	1750	11250
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	CASH AND BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	5000	0	0	0	0	5000	0	5000	360
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S ASSETS AND BENEFITS: SUMMER SAVINGS	ASSETS	SOCIAL SECURITY	VETERANS G. I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	10890	1150	140	1	1290						

YEAR	INSTITUTIONAL BUDGETS: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER

* CLASSIFICATION
1 = Two-parent family
2 = Separated or divorced two-parent family
3 = Father sole support
4 = Mother sole support, father deceased
5 = Mother sole support, separated or divorced
6 = Unusual conditions, CSS recommends individual analysis
M = Married applicant
R = Business or farm case
T = Family indebtedness exceeds assets

** UNUSUAL CONDITIONS
A = No federal tax reported for 1973 standard tax used
B = Federal tax reported for 1973 is less than 60% of standard tax reported tax used
C = Federal tax for 1973 exceeds standard tax by 10% or more standard tax used
D = Income for 1974 differs by $1,000 from 1973 income; suggest review
E = Business expenses reduce parents' contribution by $100 or more suggest review
F = Medical expenses reduce parents' contribution by $100 or more suggest review

INSTITUTIONAL ESTIMATE

1. Institutional budget _____
2. Institutional adjustment _____
3. TOTAL BUDGET _____
4. Parents' contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Applicant's benefits _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (line 3 minus 8) _____

FINANCIAL AID AWARD

GRANT _____

LOAN _____

JOB _____

Copyright © 1973 by
College Entrance Examination Board
All rights reserved. Printed in U.S.A.
I N 376129

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

Case 2

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-1975

CONFIDENTIAL

NAME OF APPLICANT LAST	FIRST	MI	SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	No. Par	No. Chld	CLASS *	COLLEGE CODE	Rev.	DATE PRINTED	UNUSUAL CONDITIONS **	CSS Identification No
						2	2	1				0	

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	WORKING SPOUSE	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	13000	1400	950	0	0	0	0	0	1750	11250
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	CASH AND BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	15000	0	0	0	0	15000	0	15000	640
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FREE DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL	PARENTS CONTRIBUTION FOR APPLICANT	APPLICANT'S ASSETS AND BENEFITS: SUMMER SAVINGS	ASSETS	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	11890	1150	410	1	1560						

* CLASSIFICATION
1 = Two parent family.
2 = Separated or divorced two parent family.
3 = Father sole support.
4 = Mother sole support, father deceased.
5 = Mother sole support, separated or divorced.
6 = Unusual conditions, CSS recommends individual analysis.
M = Married applicant.
R = Business or farm case.
T = Family independence exceeds assets.

** UNUSUAL CONDITIONS
A = No federal tax reported for 1973 standard tax used.
B = Federal tax reported for 1973 is less than 81% of standard tax reported for 1973.
C = Federal tax for 1972 exceeds standard tax by 10% or more standard tax used.
D = Income for 1974 differs by $1,000 from 1973 income suggest review.
E = Business expenses reduce parents contribution by $100 or more suggest review.
F = Medical expenses reduce parents contribution by $100 or more suggest review.

YEAR	INSTITUTIONAL BUDGETS: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER

INSTITUTIONAL ESTIMATE

1. Institutional budget _____
2. Institutional allowance _____
3. TOTAL BUDGET _____
4. Parents contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Applicant's benefits _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (line 3 minus 8) _____

Probably not eligible for 1975

FINANCIAL AID AWARD

GRANT _____
_____
_____
LOAN _____
_____
JOB _____

Copyright © 1973 by College Entrance Examination Board. All rights reserved. Printed in U.S.A. 1 N 376126

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

Case 3

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-1975

CONFIDENTIAL

NAME OF APPLICANT			SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	No. Par	No. Child	CLASS *	COLLEGE CODE	Rev.	DATE PRINTED	UNUSUAL CONDITIONS **	CSS Identification No.
LAST	FIRST	M.I.											
						2	2	1				D	

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	WORKING SPOUSE	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	13000	1400	350	0	0	0	0	0	1750	11250
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	CASH AND BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	5000	0	0	0	0	5000	0	5000	-360
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S ASSETS AND BENEFITS: SUMMER SAVINGS	ASSETS	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	10890	1150	140	2	1220						

YEAR	INSTITUTIONAL BUDGETS: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER

INSTITUTIONAL ESTIMATE

1. Institutional budget _____
2. Institutional adjustment _____
3. TOTAL BUDGET _____
4. Parents' contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Applicant's benefits _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (Line 3 minus 8) _____

FINANCIAL AID AWARD

GRANT _____

LOAN _____

JOB _____

* CLASSIFICATION

1 = Two-parent family
2 = Separated or divorced two-parent family
3 = Father sole support
4 = Mother sole support, father deceased
5 = Mother sole support, separated or divorced
6 = Unusual conditions, CSS recommends individual analysis
M = Married applicant
R = Business or farm case
T = Family indebtedness exceeds assets

** UNUSUAL CONDITIONS

A = No federal tax reported for 1973 standard tax used
B = Federal tax reported for 1973 is less than 50% of standard tax reported tax used
C = Federal tax for 1973 exceeds standard tax by 10% or more standard tax used
D = Indebtedness for 1974 differs by $1,000 from 1973 income; suggest review
E = Business expenses reduce generic contribution by $100 or more suggest review
F = Medical expenses reduce generic contribution by $100 or more suggest review

Copyright © 1973 by
College Entrance Examination Board
All rights reserved. Printed in U.S.A.
I.N 378120

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

Case 4

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-1975

CONFIDENTIAL

NAME OF APPLICANT LAST	FIRST	M.I.	SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	No. Par	No. Child	CLASS ●	COLLEGE CODE	Rev.	DATE PRINTED	UNUSUAL CONDITIONS ●●	CSS Identification No.
						2	2	1				0	

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	WORKING SPOUSE	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	13000	1400	350	0	0	0	0	0	1750	11250
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	CASH AND BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	50000	0	0	0	0	50000	0	50000	4140
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S ASSETS AND BENEFITS: SUMMER SAVINGS	ASSETS	SOCIAL SECURITY	VETERANS B.L. BNA	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	15390	1150	1790	1	2940	400	0	0	0	0	3340

YEAR	INSTITUTIONAL BUDGETS: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER

INSTITUTIONAL ESTIMATE

1. Institutional budget _____
2. Institutional adjustment _____
3. TOTAL BUDGET _____
4. Parents' contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Applicant's benefits _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (line 3 minus 8) _____

Probably not eligible for 1976

FINANCIAL AID AWARD

GRANT _____
_____
_____

LOAN _____
_____
_____

JOB _____

● CLASSIFICATION
1 = Two-parent family.
2 = Separated or divorced two-parent family.
3 = Father sole support.
4 = Mother sole support, father deceased.
5 = Mother sole support, father divorced.
6 = Unusual conditions. CSS recommends individual analysis.
M = Married applicant.
B = Business or farm case.
T = Family indebtedness excludes assets.

●● UNUSUAL CONDITIONS
A = Federal tax reported for 1973 standard tax relief.
B = Federal tax reported for 1973 is less than 25% of standard tax. Reported tax relief.
C = Federal tax for 1973 exceeds standard tax by 10% or more. standard tax relief.
D = Federal tax for 1973 exceeds by $1,000 or more. 1973 standard suggest review.
E = Business expenses reduce income by 10% or more suggest review.
F = Medical expenses reduce income by 10% or more suggest review.

Copyright © 1973 by
College Entrance Examination Board
All rights reserved. Printed in U.S.A.
1 N 370139

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

Case 5

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-1975

CONFIDENTIAL

NAME OF APPLICANT LAST	FIRST	M I	SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	No Par	No. Child	CLASS *	COLLEGE CODE	Rev.	DATE PRINTED	UNUSUAL CONDITIONS **	CSS Identification No.
						2	2	1				C D	

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	WORKING SPOUSE	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	13000	1400	350	0	0	0	0	600	2350	10650
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	CASH AND BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	5000	0	0	0	0	5000	0	5000	-360
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS' CONTRIBUTION FOR APPLICANT	APPLICANT'S ASSETS AND BENEFITS: SUMMER SAVINGS	ASSETS	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	10290	1140	0	1	1140						

YEAR	INSTITUTIONAL BUDGETS: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER

INSTITUTIONAL ESTIMATE

1. Institutional budget _____
2. Institutional adjustment _____
3. TOTAL BUDGET _____
4. Parents' contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Applicant's benefits _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (line 3 minus 8) _____

FINANCIAL AID AWARD

GRANT _____
_____
_____
LOAN _____
_____
JOB _____

*** CLASSIFICATION**

1 = Two-parent family
2 = Separated or divorced two-parent family
3 = Father sole support
4 = Mother sole support, father deceased
5 = Mother sole support, separated or divorced
6 = Unusual conditions, CSS recommends individual analysis
M = Married applicant
R = Business or farm case
T = Family indebtedness exceeds assets

**** UNUSUAL CONDITIONS**

A = No federal tax reported for 1973 standard tax used
B = Federal tax reported for 1973 is less than 50% of standard tax reported tax used
C = Federal tax for 1973 exceeds standard tax by 10% or more standard tax used
D = Income for 1974 differs by $1,000 from 1973 income suggest review
E = Business expenses reduce parents' contribution by $100 or more suggest review
F = Medical expenses reduce parents' contribution by $100 or more suggest review

Copyright © 1973 by
College Entrance Examination Board
All rights reserved. Printed in U.S.A.
I.N. 370126

BEST COPY AVAILABLE

COLLEGE SCHOLARSHIP SERVICE
of the
College Entrance Examination Board

Case 6

FINANCIAL NEED ANALYSIS REPORT
Academic Year 1974-1975
CONFIDENTIAL

NAME OF APPLICANT LAST	FIRST	M I	SEX	DATE OF BIRTH	SOCIAL SECURITY NUMBER	No. Par	No. Child	CLASS *	COLLEGE CODE	Rev.	DATE PRINTED	UNUSUAL CONDITIONS **	CSS Identification No.
						2	2	1				D	

COMPUTATION OF EFFECTIVE INCOME

YEAR	NET INCOME	FEDERAL INCOME TAX	STATE INCOME TAX	WORKING SPOUSE	MEDICAL EXPENSES	EMERGENCY EXPENSES	INDEBTEDNESS	OTHER DEPENDENTS	TOTAL ALLOWANCES	EFFECTIVE INCOME
1	13000	1400	350	0	0	0	0	0	1750	11250
2										
3										
4										

COMPUTATION OF INCOME SUPPLEMENT FROM PARENTS' ASSETS

YEAR	RESIDENCE EQUITY	OTHER REAL ESTATE	BUSINESS OR FARM	CASH AND BANK ACCOUNTS	OTHER INVESTMENTS	TOTAL ASSETS	DEBT OUTSTANDING	NET WORTH	INCOME SUPPLEMENT
1	15000	0	0	0	0	15000	0	15000	640
2									
3									
4									

COMPUTATION OF TOTAL FAMILY CONTRIBUTION

YEAR	ADJUSTED EFFECTIVE INCOME	FOR APPLICANT'S MAINTENANCE	FROM DISCRETIONARY INCOME	NO. OF CHILDREN IN COLL.	PARENTS CONTRIBUTION FOR APPLICANT	APPLICANT'S ASSETS AND BENEFITS: SUMMER SAVINGS	ASSETS	SOCIAL SECURITY	VETERANS G.I. BILL	OTHER	TOTAL FAMILY CONTRIBUTION FOR APPLICANT
1	11890	1150	410	2	1950						

YEAR	INSTITUTIONAL BUDGETS: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER	ESTIMATED FINANCIAL NEED: RESIDENT	COMMUTER	OUT-OF-STATE	OTHER

INSTITUTIONAL ESTIMATE

1. Institutional budget _____
2. Institutional adjustment _____
3. TOTAL BUDGET _____
4. Parents contribution _____
5. Applicant's summer savings _____
6. Applicant's assets _____
7. Applicant's benefits _____
8. TOTAL CONTRIBUTION _____
9. FINANCIAL NEED (line 3 minus 8) _____

Probably not eligible for BEOG

FINANCIAL AID AWARD

GRANT _____
_____
_____
LOAN _____
_____
JOB _____

* CLASSIFICATION
1 = Two-parent family
2 = Separated or divorced two-parent family
3 = Father sole support
4 = Mother sole support, father deceased
5 = Mother sole support, separated or divorced
6 = Unusual conditions, CSS recommends individual analysis
M = Married applicant
R = Business or farm case
T = Family indebtedness exceeds assets

** UNUSUAL CONDITIONS
A = No federal tax reported for 1973, standard tax used
B = Federal tax reported for 1973 is less than 50% of standard tax, standard tax used
C = Federal tax for 1973 exceeds standard tax by 10% or more, standard tax used
D = Income for 1974 differs by $1,000 from 1973 income, support review
E = Business expenses reduce regards contribution by $100 or more, support review
F = Medical expenses reduce regards contribution by $100 or more, support review

Copyright © 1973 by
College Entrance Examination Board
All rights reserved. Printed in U.S.A.
(M 370120